Agriculture and Agri-Food Canada
Agriculture et Agroalimentaire Canada

Profile of the 2000 Farm Financial Survey

Farm Income and Adaptation Policy Directorate
Strategic Policy Branch

April 2001

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Preface

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This *Profile of the 2000 Farm Financial Survey* provides an overview of the 2000 Farm Financial Survey and compares the results with two previous surveys in 1996 and 1998. The data were collected by Statistics Canada under contract with Agriculture and Agri-Food Canada. Eighteen thousand farms with total farm revenues of over $10,000 per year were surveyed by telephone.

This overview is divided into three sections: farm financial structure, capital investment and growth, and farm income and stability. More detailed information can be obtained by visiting the following websites: *www.statcan.ca* or *www.agr.ca/spb/fiap*. Special requests can be made to Statistics Canada, Agriculture Division via e-mail at *agriculture@statcan.ca* or by telephone at 1-800-465-1991. Comments on this publication can be sent to John Caldwell via e-mail at *caldwej@em.agr.ca* or by telephone at 613-759-1923.

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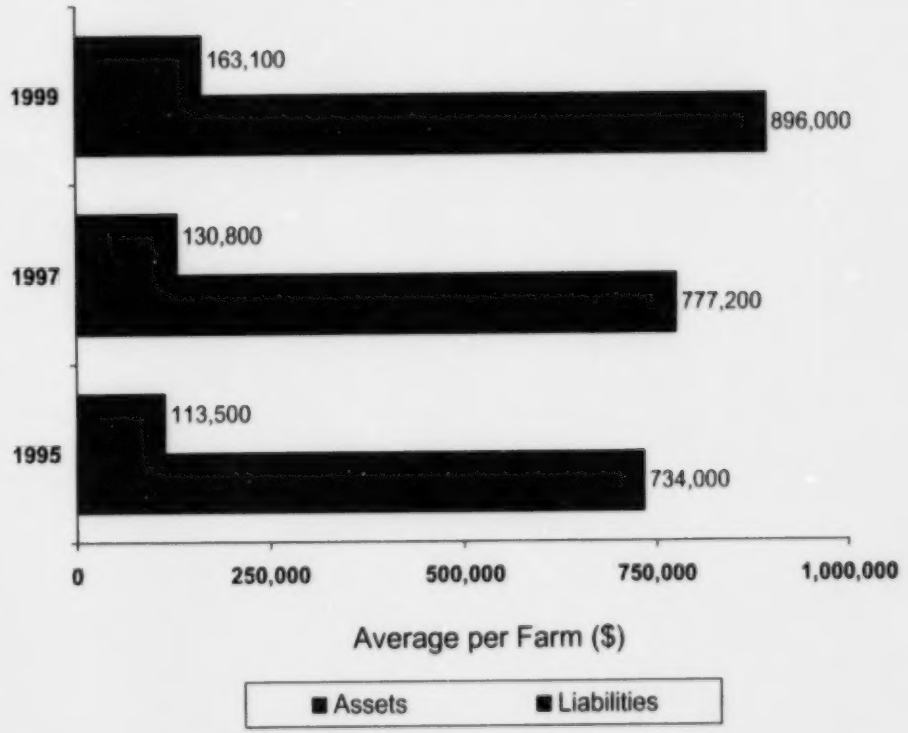
Introduction

- The Farm Financial Survey (FFS) was first conducted in 1981 and has been repeated approximately every two years since 1988.
- The 2000 FFS was conducted by Statistics Canada and funded by Agriculture and Agri-Food Canada.
- The 1998 and 2000 surveys sampled approximately 18,000 farms from all provinces and farm types, with gross revenue of $10,000 and over and excludes multi-holding farms.
- Balance sheet data were collected as of December 31, 1999. Income and investment information is for the 1999 calendar year.
- Farm types are based on 51% or more of revenues from a particular commodity.

Farm Financial Structure

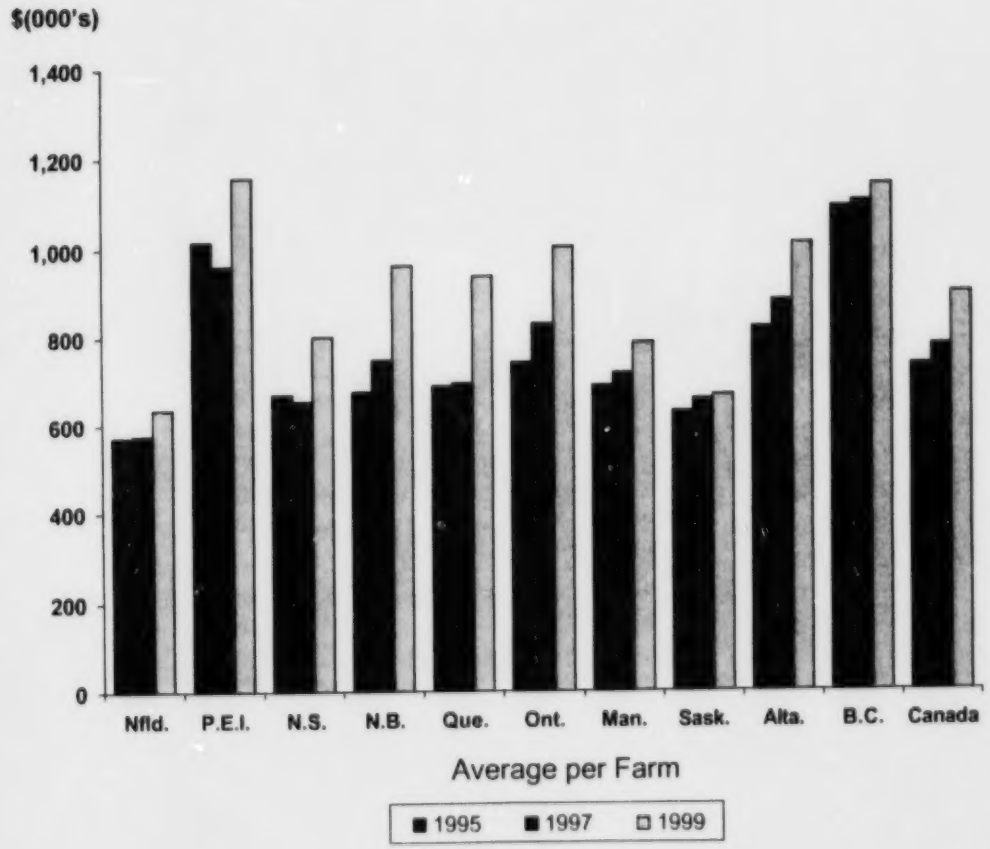
- **Assets and Liabilities**

Average Assets and Liabilities per Farm, 1995, 1997, 1999



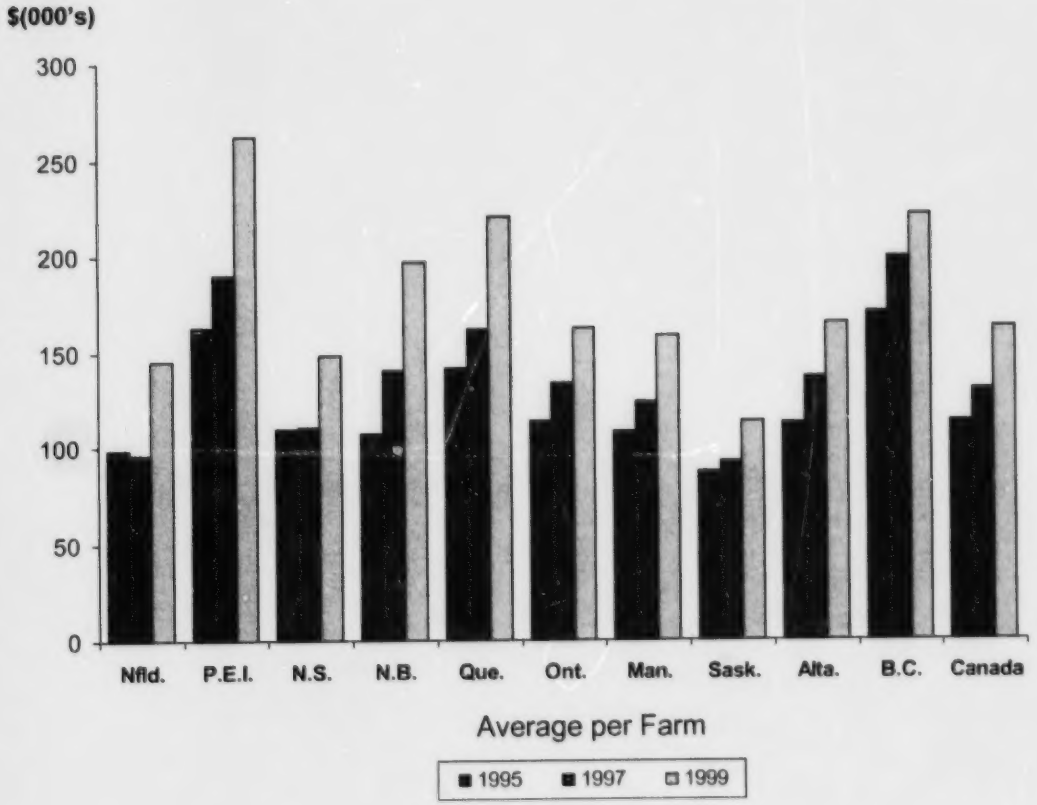
- Average assets per farm showed a consistent increase since 1995 reaching $896,000 in 1999 and increasing 15.3% since 1997.
- Average liabilities per farm also climbed consistently since 1995, reaching $163,100 in 1999, an increase of 24.7% since 1997.

Average Assets per Farm by Province, 1995, 1997, 1999



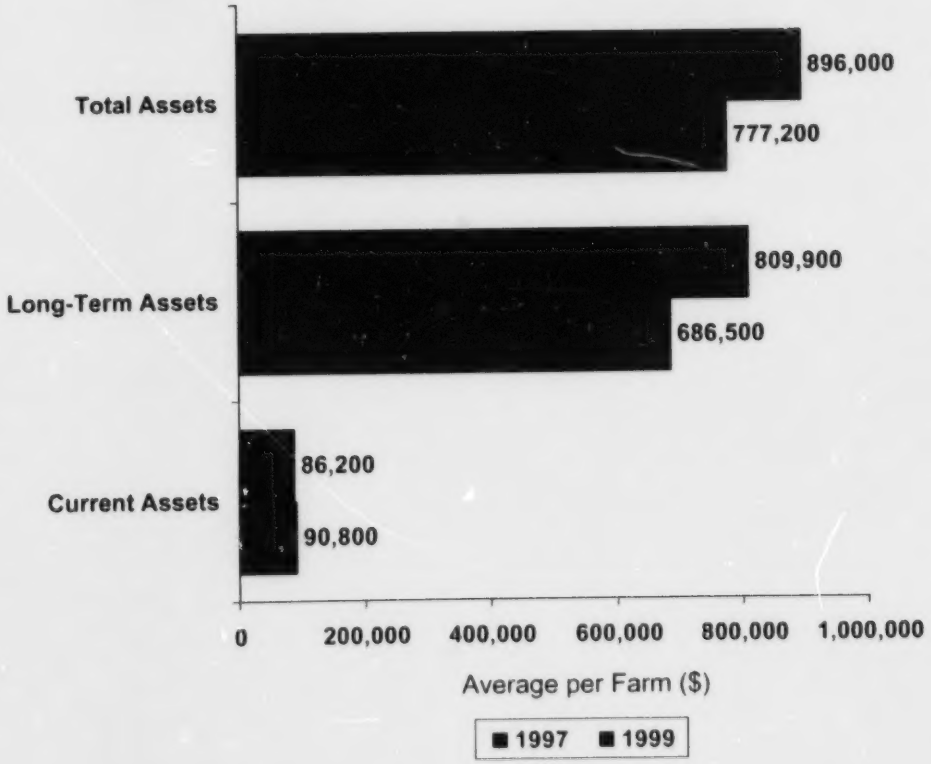
- Assets increased in all provinces in 1999.
- Prince Edward Island had the highest assets in 1999 at $1,158,000 followed by British Columbia at $1,139,000.
- Newfoundland and Saskatchewan had the lowest assets at $636,000 and $666,000, respectively.
- Quebec showed a significant increase in assets in 1999.
- Most of the Atlantic region, as well as Ontario, experienced significant increases in assets in 1999.

Average Liabilities per Farm by Province, 1995, 1997, 1999



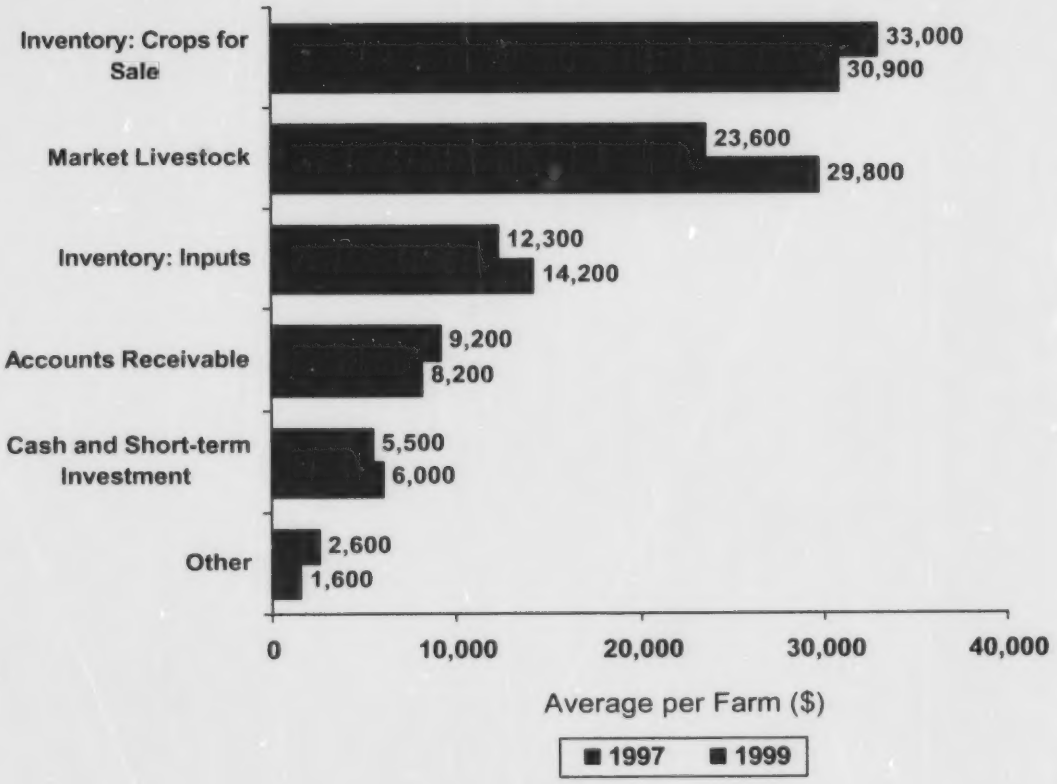
- Average liabilities in Canada increased by 24.7% in 1999.
- Prince Edward Island had the highest liabilities in 1999 at $263,000, whereas Saskatchewan had the lowest liabilities at $114,000.
- Manitoba also had relatively low liabilities in 1999 at $158,800.

Average Assets per Farm in Canada, 1997 and 1999



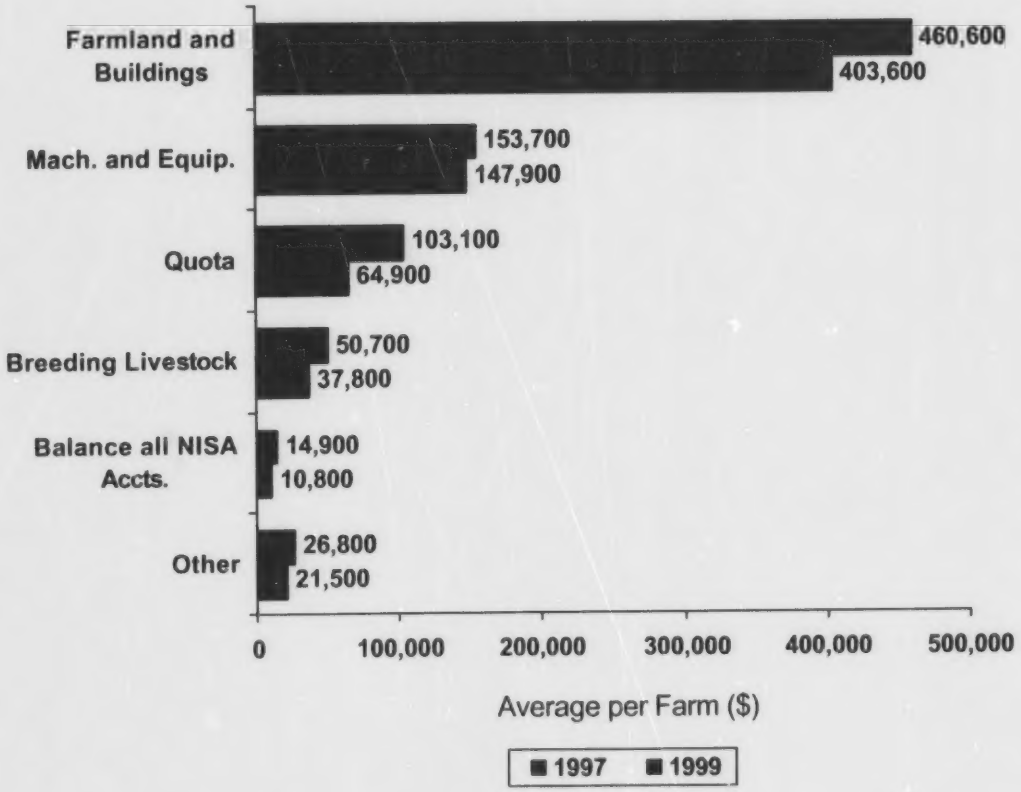
➡ Average total assets increased between 1997 and 1999 while average current assets decreased.

Average Current Assets per Farm, Canada, 1997 and 1999



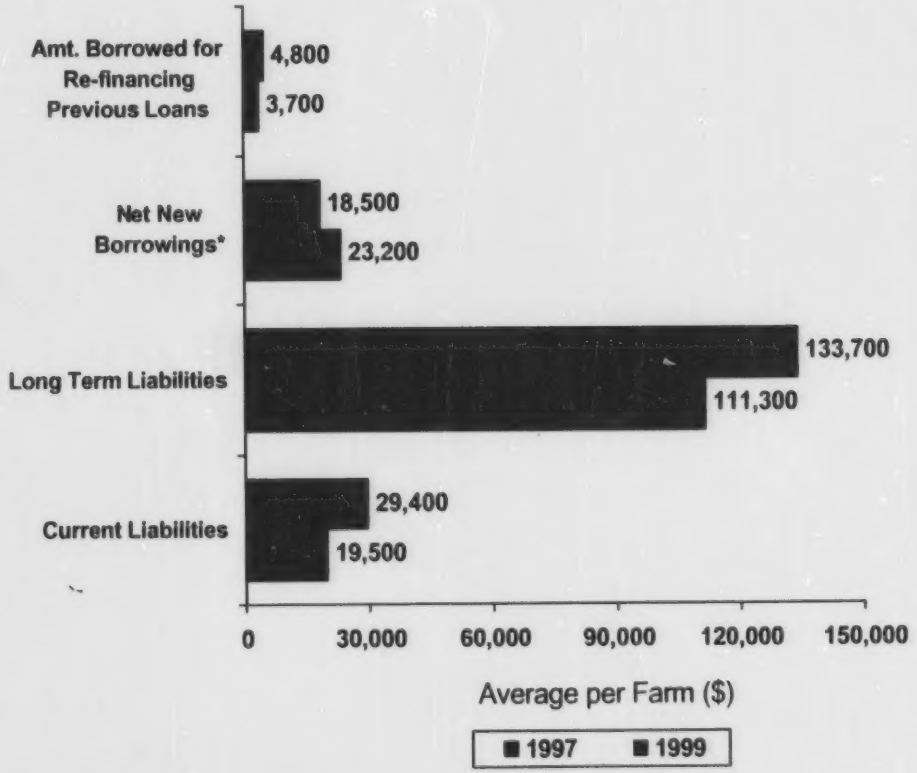
- Inventory of crops for sale was up by $2,100 in 1999.
- Market livestock was down by $6,200 from 1997.
- The decrease of $500 in cash was more than offset by the increase in accounts receivable.

Average Long Term Assets per Farm, Canada, 1997 and 1999



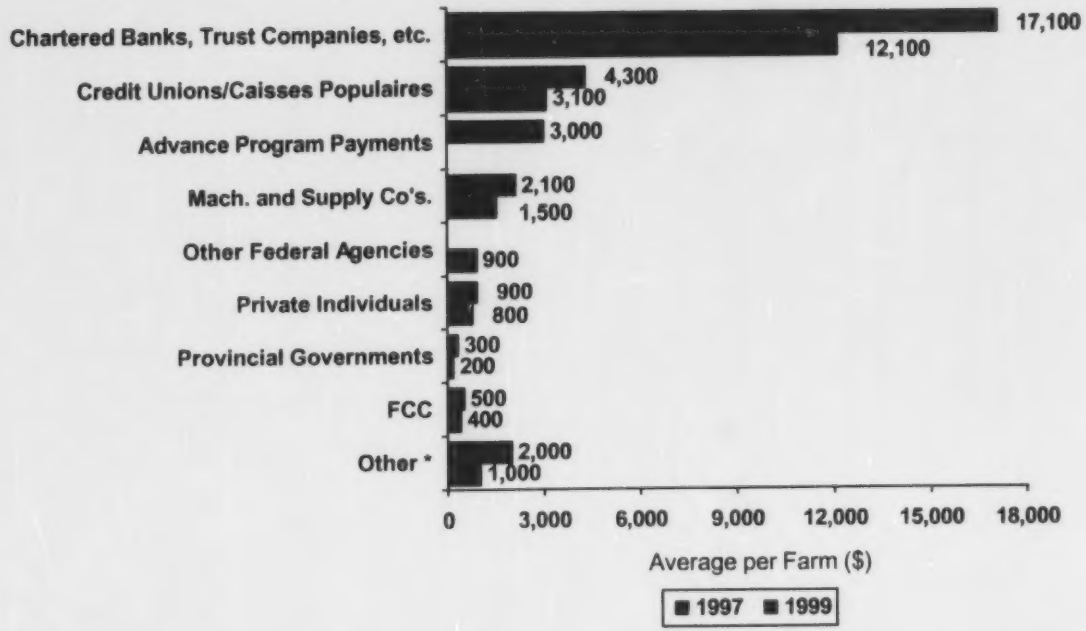
- Farm real estate ($460,600) was up 14% from 1997.
- NISA balances were up $4,100 per farm.
- The value of quota increased by almost 60% while the value of machinery increased only slightly.

Average Liabilities and Long-Term Borrowings per Farm, 1997 and 1999



- Average current liabilities experienced a significant increase of 51% to $29,400.
- Average long term liabilities increased 20% to $133,700 in 1999.
- Amount borrowed for re-financing previous loans also increased significantly (30%) in 1999.
- Net new borrowings were down by 20% in 1999.

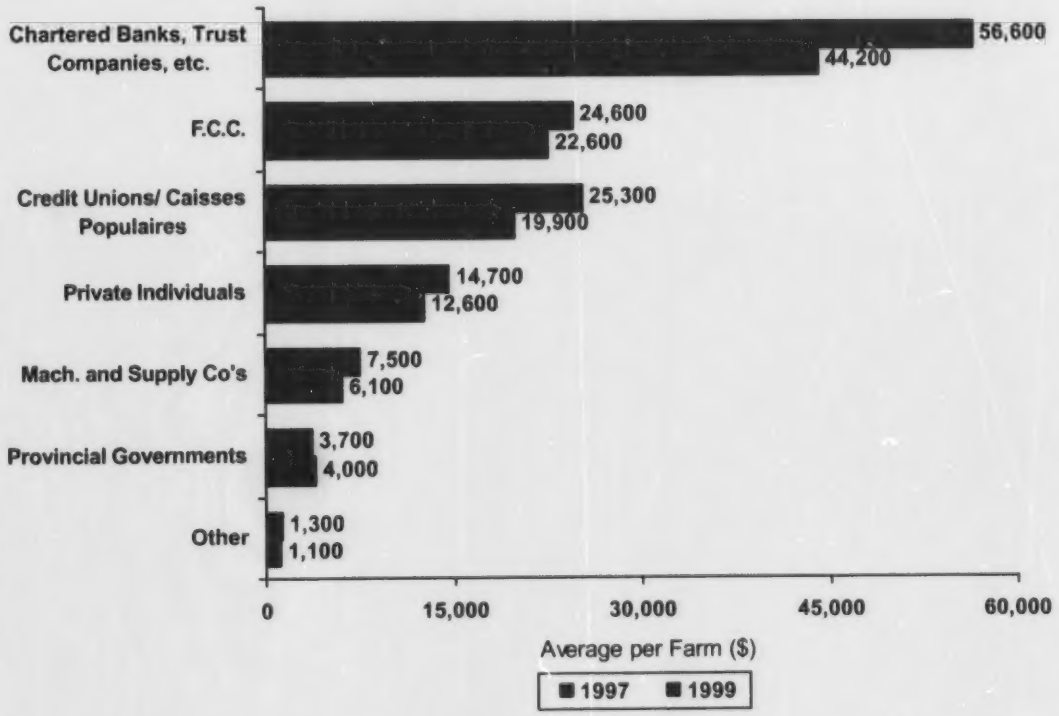
Average Current Liabilities per Farm by Source of Funding, Canada, 1997 and 1999



* Other includes Business Development Bank of Canada, insurance companies, hydro, telephone, municipal taxes, etc.

- Chartered banks, trust companies and treasury branches supplied the most significant portion of funds with 58% of current liabilities.
- The second most important source of current debt was credit unions/caisses populaires at 16% of total current liabilities.
- In Quebec, unlike the other provinces, caisses populaires were the source of 35% of total current liabilities while chartered banks and trust companies supplied 41% of the total in 1999.

Average Long Term Liabilities per Farm by Source of Funding, Canada, 1997 and 1999

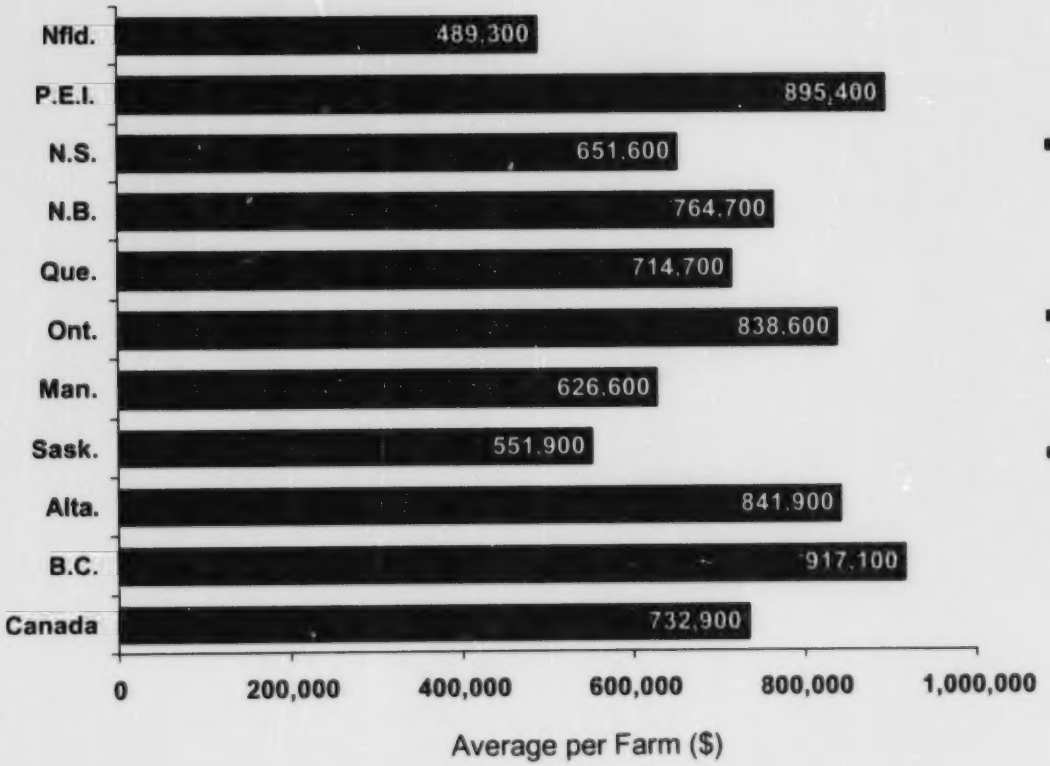


The sources of long term liabilities are:

Canada	1999
Banks, trust companies, etc.	(42%)
Farm Credit Corporation	(18%)
Credit Unions/Caisses Populaires	(19%)
Private Individuals	(11%)
Other	(10%)
TOTAL	100%

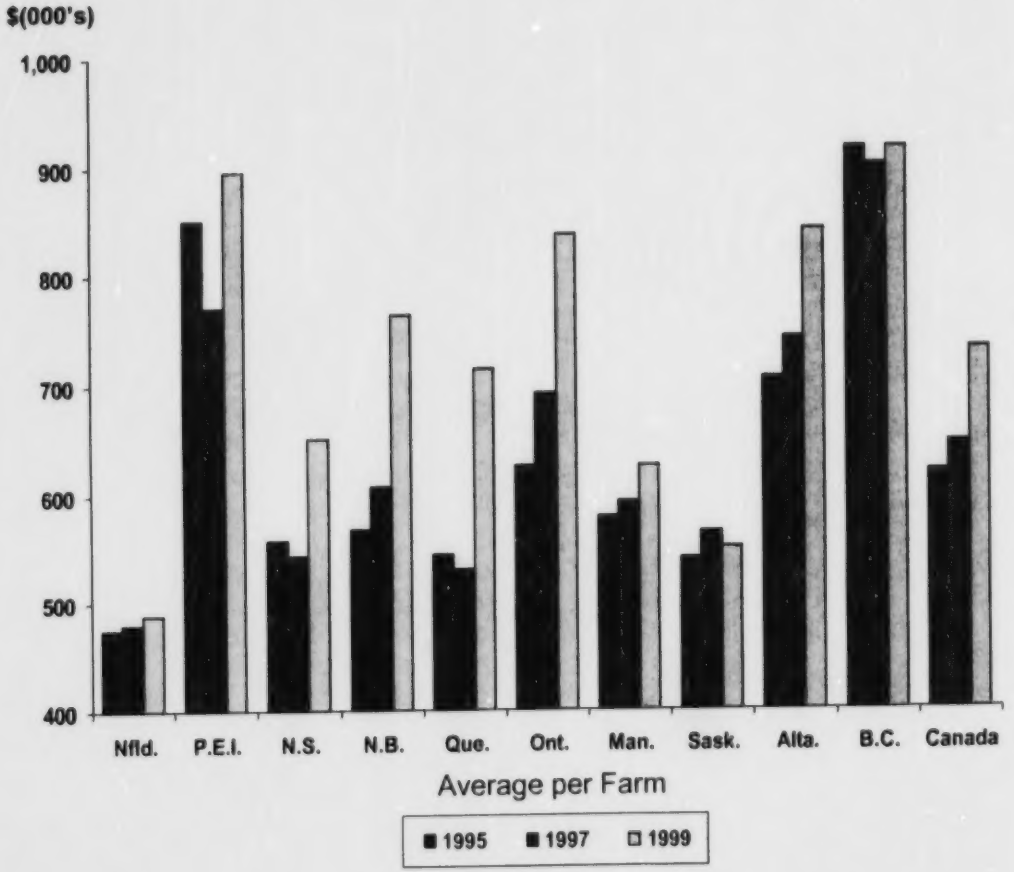
- **Net Worth**

Average Net Worth per Farm by Province, 1999



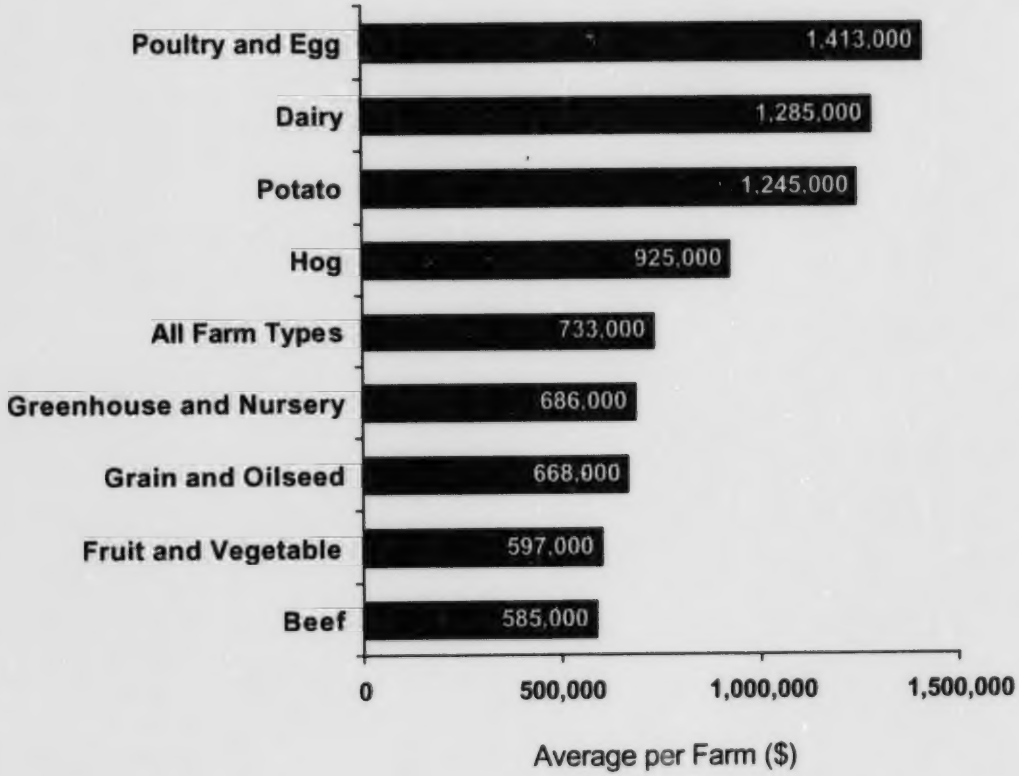
- British Columbia farms had the highest average net worth per farm (over $900,000) which reflects the high land values.
- Prince Edward Island farms also had high average net worth reflecting the large number of potato farms.
- Newfoundland farms reported the lowest average net worth at $489,300 per farm.

Average Net Worth per Farm by Province, 1995, 1997, 1999



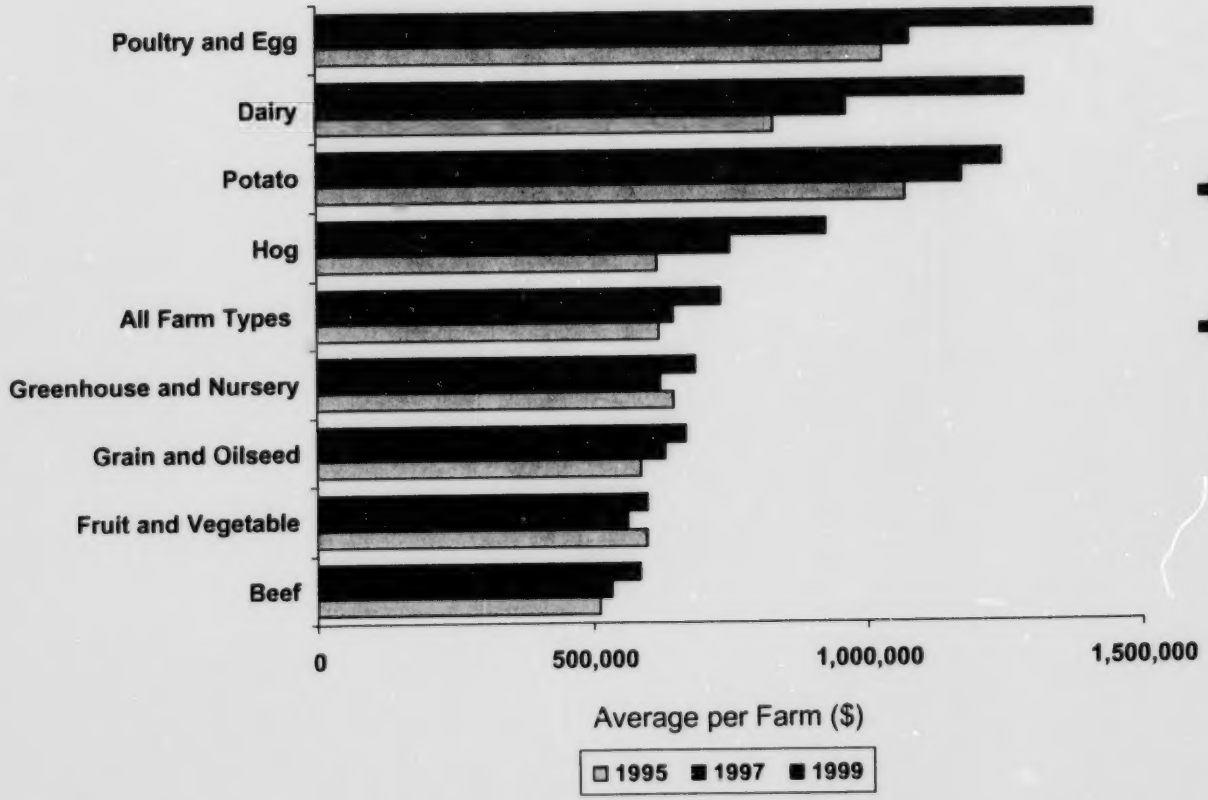
- Average net worth has increased on Canadian farms.
  - Average net worth was $732,900 in 1999.
  - Average net worth increased $86,500 from 1997 (13.4%).
- Net worth varied among provinces in 1999.
  - Net worth of farms in the Atlantic region, Quebec, Ontario and Alberta farms were up sharply in 1999.
  - Farms in the Atlantic region, Quebec and British Columbia showed increases in 1999 after declining between 1995 and 1997.
  - Saskatchewan was the only province showing a decline in the average net worth per farm.

Average Net Worth per Farm by Farm Type, 1999



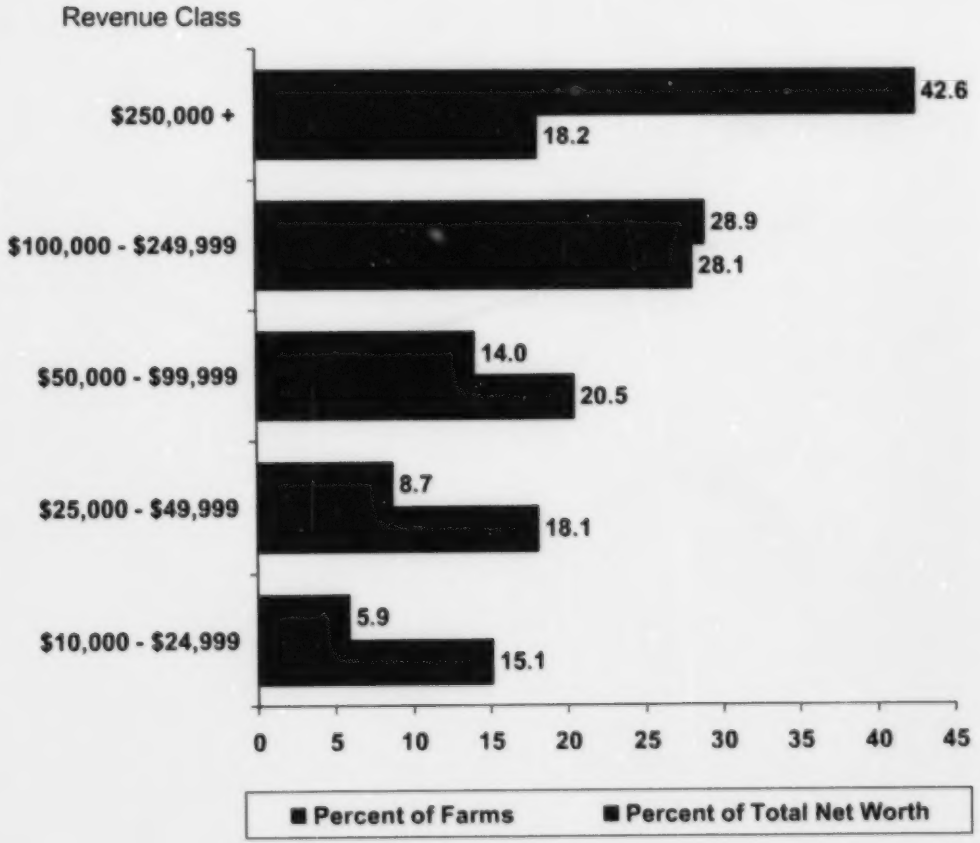
- Poultry and egg farms had the highest net worth at $1.4 million in 1999.
- Dairy farms and potato farms also showed a high net worth.
- Beef farms and fruit and vegetable farms had the lowest net worth in 1999.

Average Net Worth per Farm by Farm Type, 1995, 1997, 1999



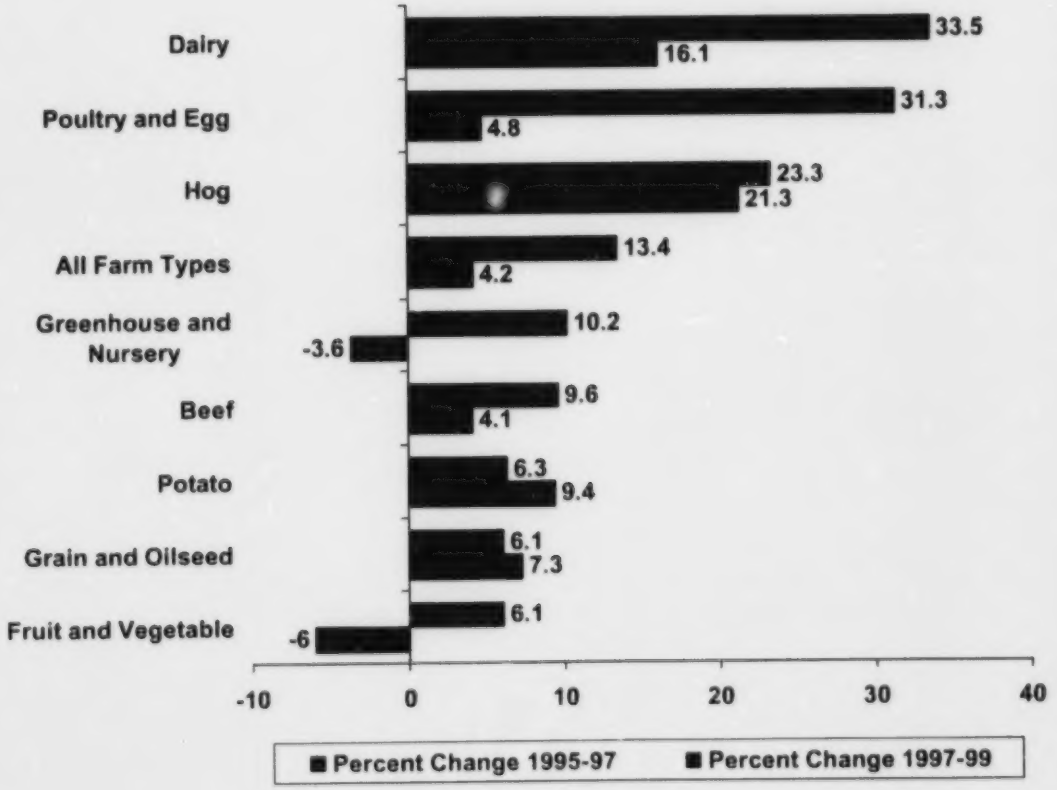
- All farm types reported increases in net worth between 1997 and 1999.
- Poultry and egg, dairy and hog farms reported the largest increases between 1997 and 1999.

Distribution of Farms and Net Worth by Revenue Class, Canada, 1999



- Farms with revenue between $10,000 and $25,000 made up 15.1% of all farms, but accounted for only 5.9% of the total net worth.
- Farms with revenue of $100,000 and over account for over 70% of the total net worth.
- Farms with $250,000 or more in revenue made up 18.2% of all farms but accounted for over 40% of the total net worth.

Percent Change in Average Net Worth by Farm Type



- Average net worth for all farm types increased 13.4% between 1997 and 1999 compared to 4.2% for the 1995 to 1997 period.
- Dairy, poultry and egg, and hog farms showed very significant increases in net worth between 1997 and 1999.
- Fruit and vegetable farms, and greenhouse and nursery farms showed an increase in net worth between 1997 and 1999 after declining between 1995 and 1997.

- **Debt as a Percent of Assets**

Debt as a Percent of Assets by Province, 1995, 1997, 1999

	1995	1997	1999
		Percent	
Atlantic	16.2	18.4	20.7
Quebec	20.6	23.4	23.6
Ontario	15.4	16.2	16.3
Manitoba	15.7	17.3	20.2
Saskatchewan	13.9	14.1	17.1
Alberta	13.8	15.6	16.4
British Columbia	15.7	18.1	19.5
Canada	**15.5**	**16.8**	**18.2**

- On average, debt as a percent of assets on Canadian farms increased from 16.8% in 1997 to 18.2% in 1999.
- Debt as a percent of assets increased in most regions between 1997 and 1999.
- In Ontario and Quebec, debt as a percent of assets was essentially unchanged.
- Debt as a percent of assets in Manitoba and Saskatchewan increased significantly from 1997 but Saskatchewan still remains below the Canadian average.

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Debt as a Percent of Assets by Farm Type, 1995, 1997, 1999

	1995	1997	1999
		Percent	
Dairy	18.6	19.1	19.7
Beef	12.7	15.0	14.6
Hog	23.5	25.8	30.8
Poultry and Egg	20.9	20.1	20.2
Potato	21.1	23.9	26.2
Fruit and Vegetable	15.7	18.8	20.3
Grain and Oilseed	14.0	14.4	16.8
Greenhouse and Nursery	18.6	27.3	26.2
All Farm Types	15.5	16.8	18.2

- Debt as a percent of assets was higher for hog, dairy, potato, fruit and vegetable, and grain and oilseed farms in 1999 compared to 1997.
- Debt as a percent of assets was down for beef farms and greenhouse and nursery farms in 1999 compared to 1997.
- Beef farms, and grain and oilseed farms reported debt as a percent of assets below the Canadian average.
- Beef farms reported the lowest debt as a percent of assets.

Debt as a Percent of Assets by Farm Type, 1995, 1997, 1999

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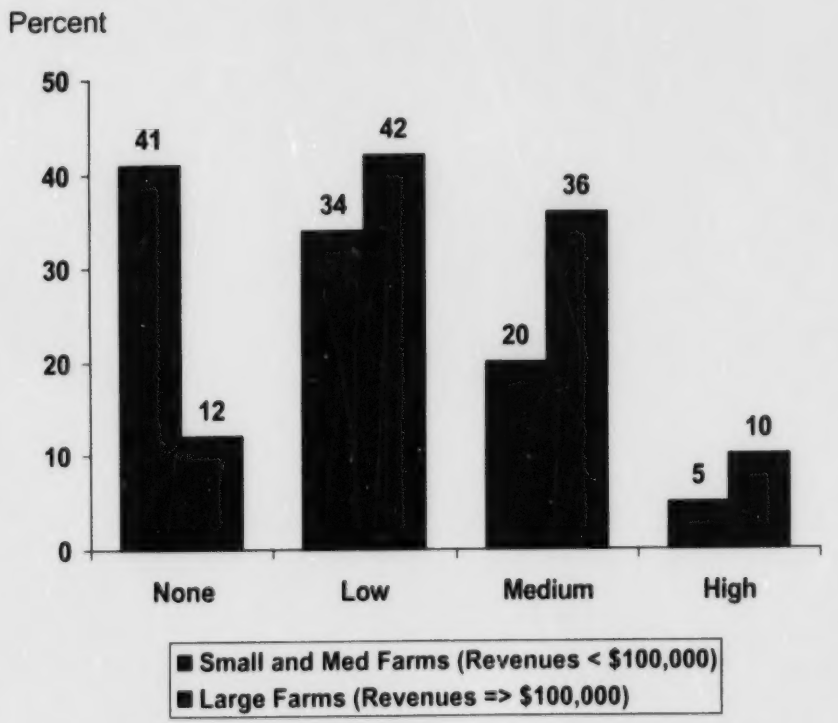
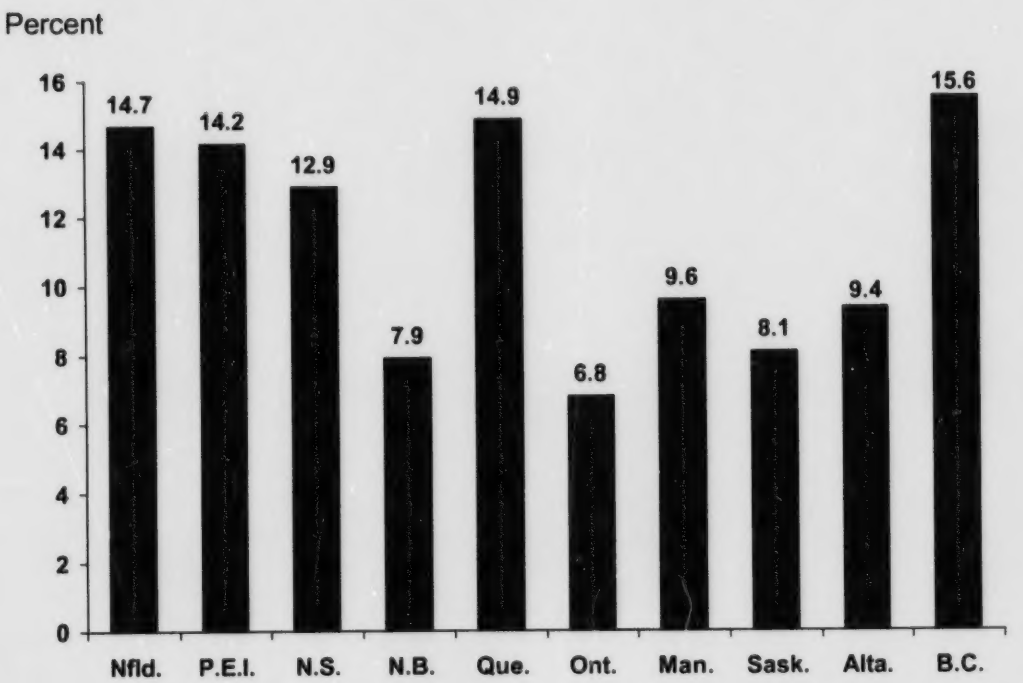
Distribution of Farms by Debt Level, 1999
Small and Medium Farms vs. Large Farms



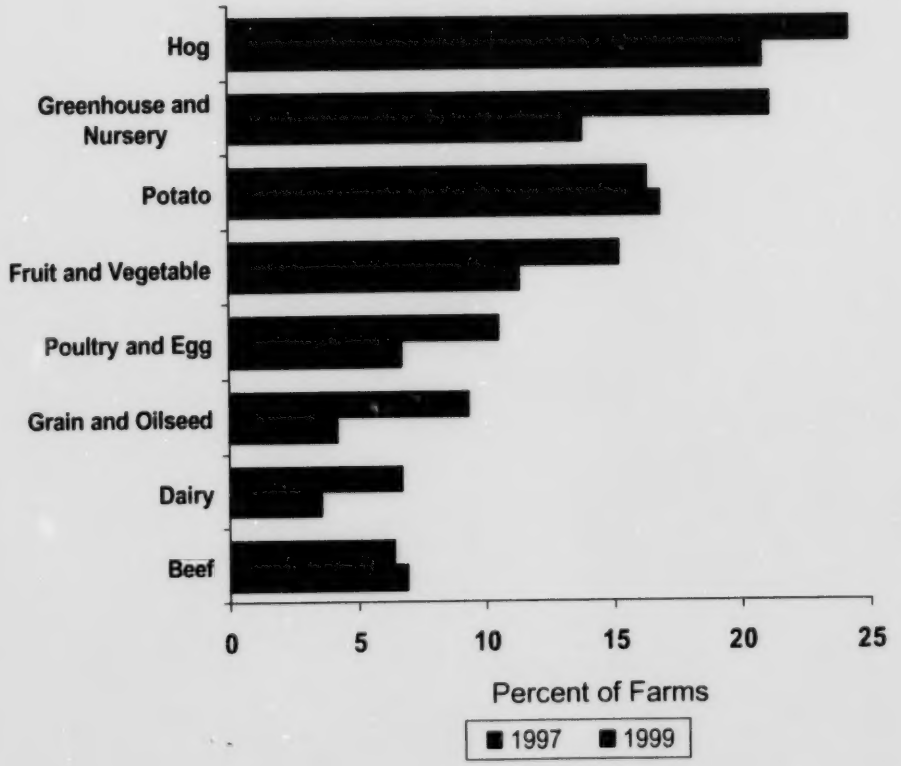
- Farm debt level is:
  - "HIGH" if debt/assets => 50%
  - "MEDIUM" if debt/assets => 20% but < 50%
  - "LOW" if debt/assets > 0 but < 20%
  - "NONE" if there is no debt.
- Ten percent of large farms have a high debt level.

Percent of Large Farms with High Debt Levels by Province, 1999



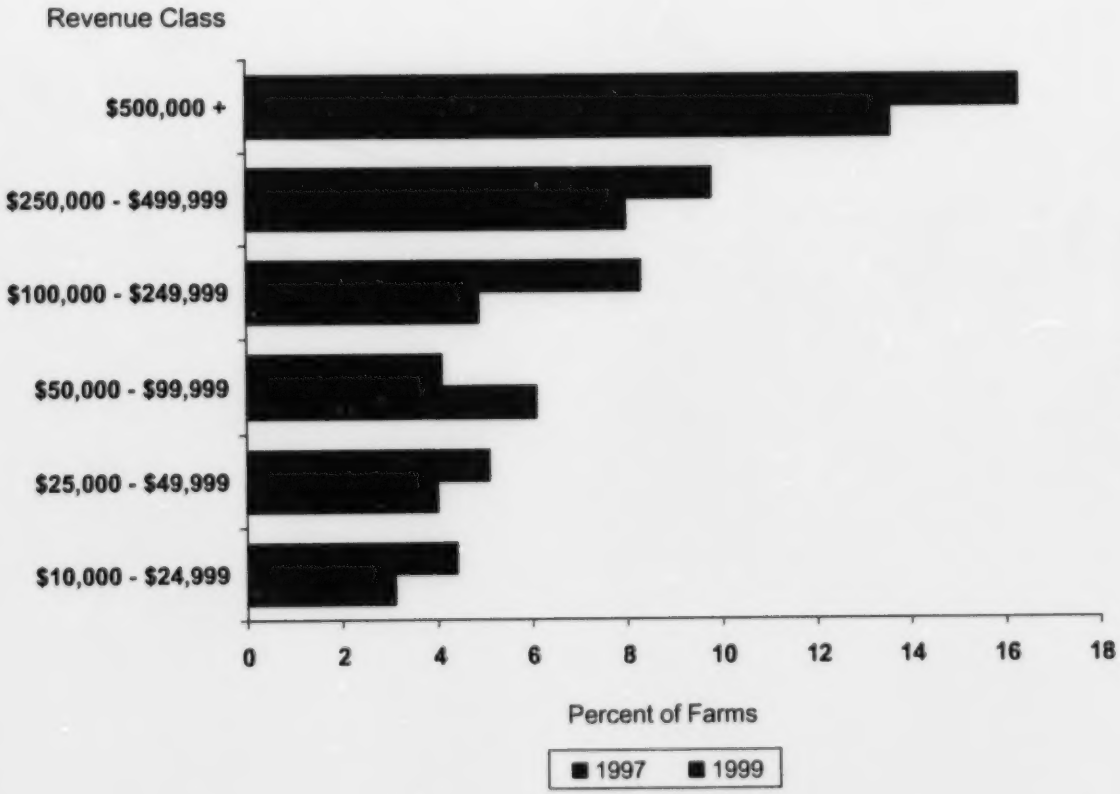
- British Columbia (15.6%) and Quebec (14.9%) had the highest percentages of large farms with high debt levels.
- Ontario (6.8%), followed by New Brunswick (7.9%), had the lowest percentage of large farms with high debt levels.

Percent of Large Farms with High Debt Levels by Farm Type, 1997 and 1999



- Most of the major farm types showed increases in proportions of large farms with high debt levels.
- There was a decline in the number of large beef farms and potato farms with high debt levels in 1999.

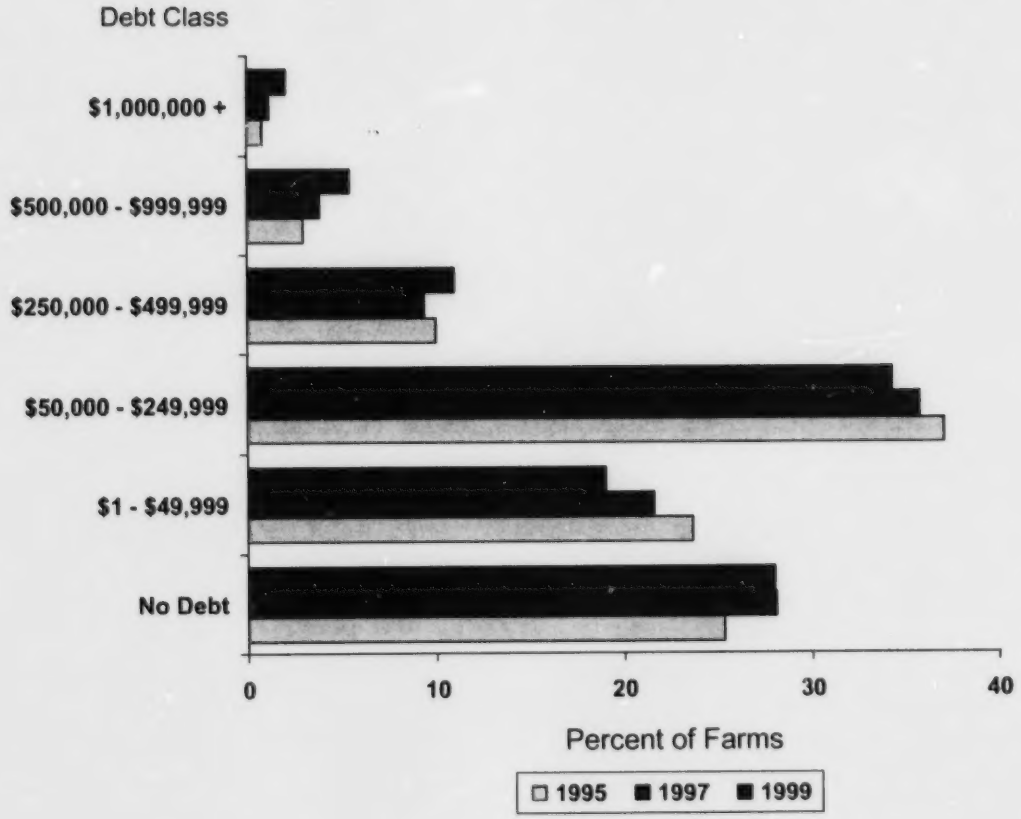
Distribution of Farms with High Debt Levels by Revenue Class, 1997 and 1999



- The number of farms with high debt levels increased for most revenue classes.
- The number of farms with high debt levels decreased for the $50,000 - $99,999 revenue class.

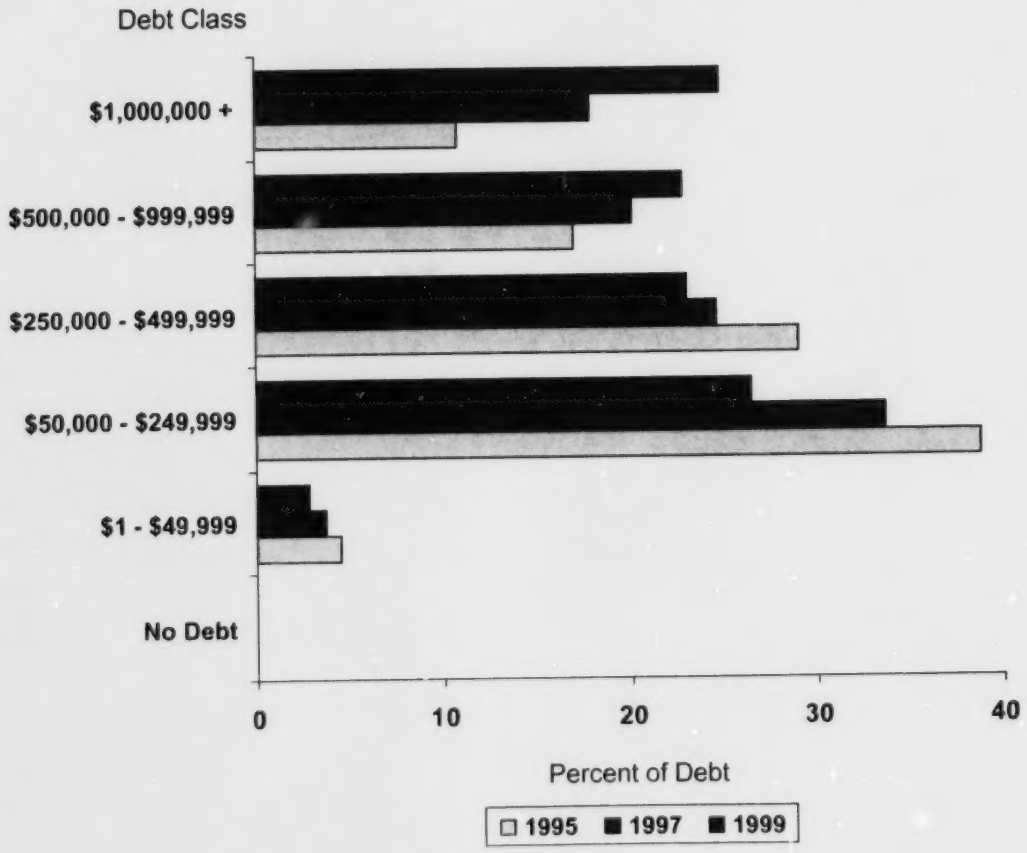
- **Farm Distribution**

Distribution of Farms by Debt Class, 1995, 1997, 1999



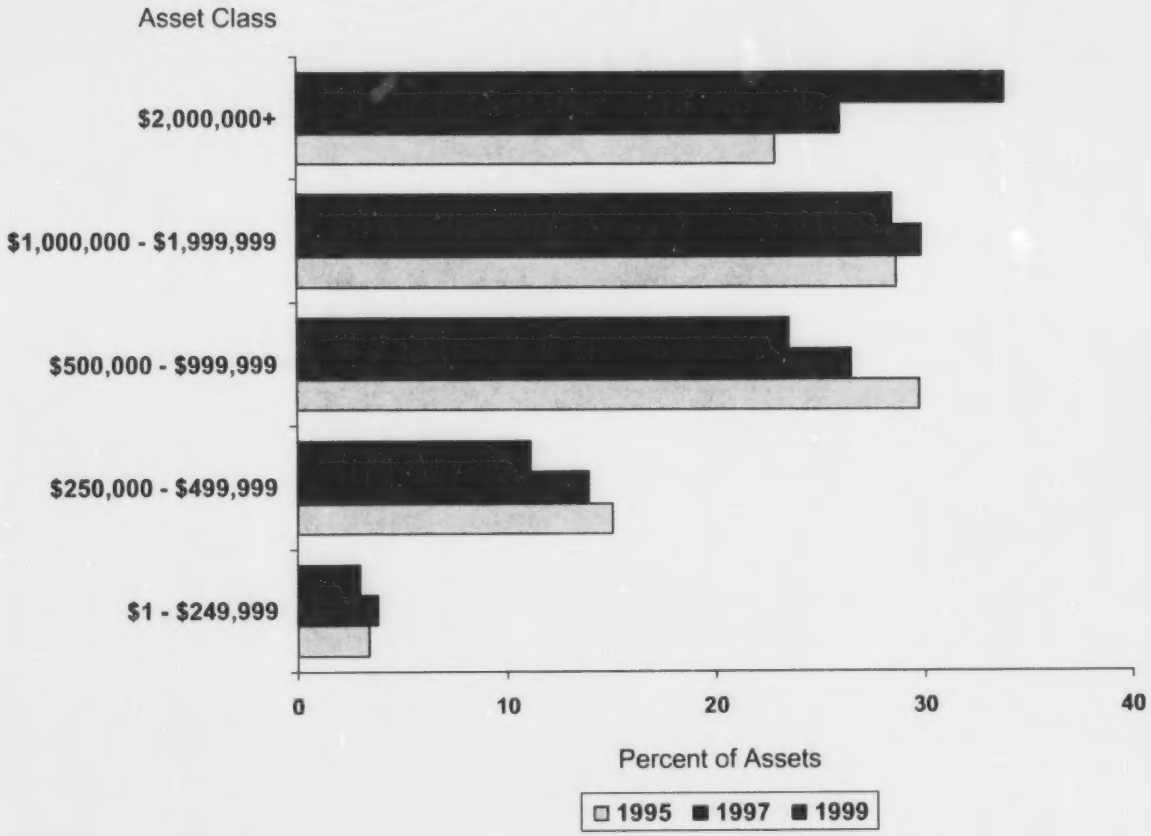
- There was an increase in the percent of farms with debt over $250,000.
- The percent of farms with no debt remained constant since 1997.
- The proportion of farms with debt of $1 to $249,999 decreased in 1999.

Share of Debt Held by Debt Class, 1995, 1997, 1999



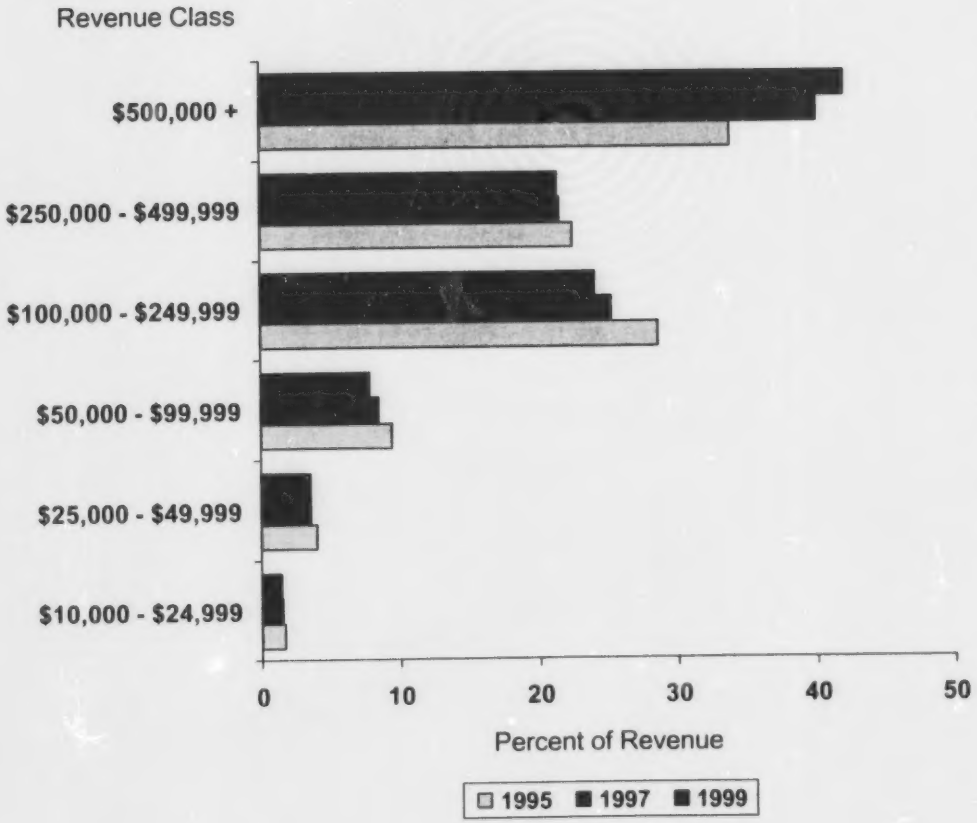
- The proportion of debt held by farms in the $500,000 - $999,999 class is steadily increasing.
- The percentage of debt held in the $1,000,000 and over class has more than doubled since 1995.

Share of Assets Held by Asset Class, 1995, 1997, 1999



- The proportion of assets held by farms in the $2,000,000 and over asset class experienced a significant increase since 1997.
- The percentage of assets held in the smaller asset classes has steadily decreased.

Share of Revenue Held by Revenue Class, 1995, 1997, 1999



- The proportion of revenue held by farms in the $500,000 and over revenue class is steadily increasing.
- The percentage of revenue held in the $50,000 to $499,999 revenue classes decreased since 1995.

Capital Investment and Growth

- **Investment**

Gross Capital Investment per Farm by Type of Investment, 1995, 1997, 1999

	1995	1997	1999
Land and Buildings	$6,319	$7,342	$7,565
Land Improvements	1,057	1,650	1,849
House Construction	2,167	1,811	1,532
Other Building Construction	4,667	6,249	6,054
Breeding and Replacement Livestock	2,603	2,724	3,186
Quota	1,476	1,791	3,380
Farm Machinery and Equipment	21,354	24,073	20,092
Other Farm Assets	1,372	2,048	1,907
TOTAL	**$41,014**	**$47,688**	**$45,566**

- Gross capital investment was down (4.5%) in 1999 compared to 1997. Investment was up 16% in 1997 compared to the 1995 level. High grain prices and payments under the Western Grain Transition Payments Act contributed to higher levels of investment in 1997.
- Quota investment almost doubled between 1997 and 1999.
- Investment in farm machinery and equipment was down 17% from the last survey.

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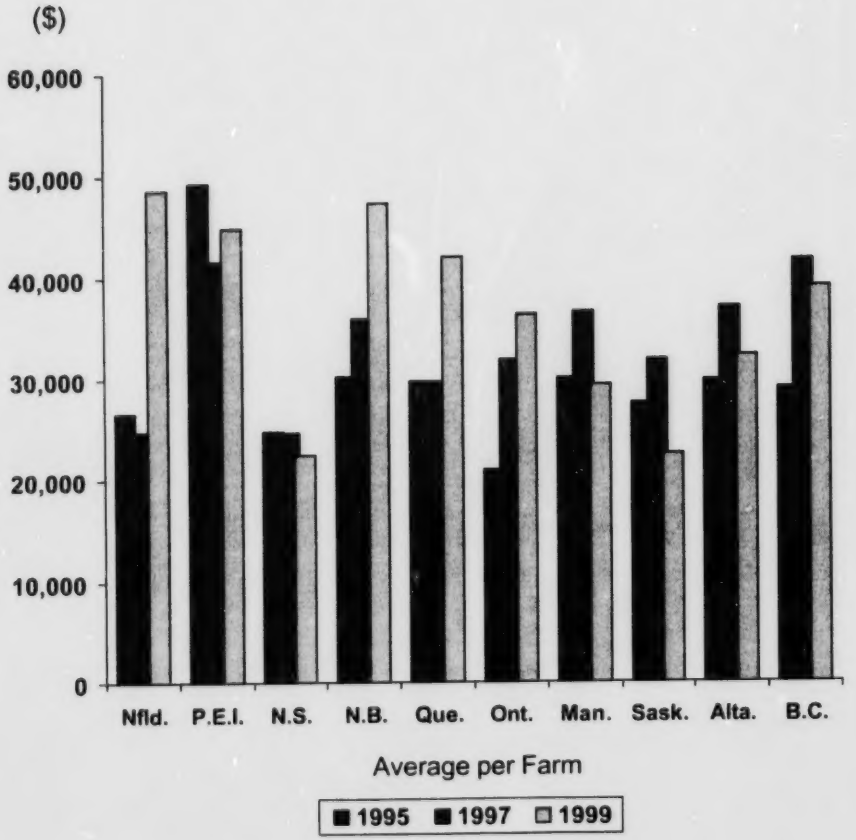
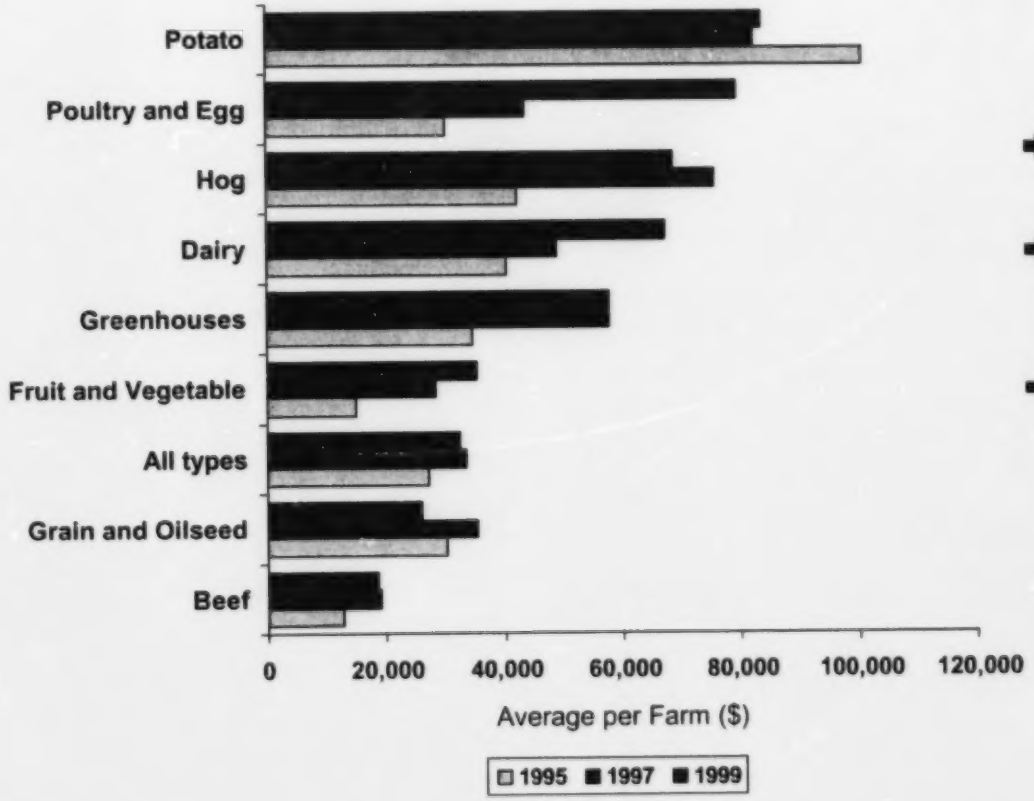
Average Net Capital Investment by Province, 1995, 1997, 1999



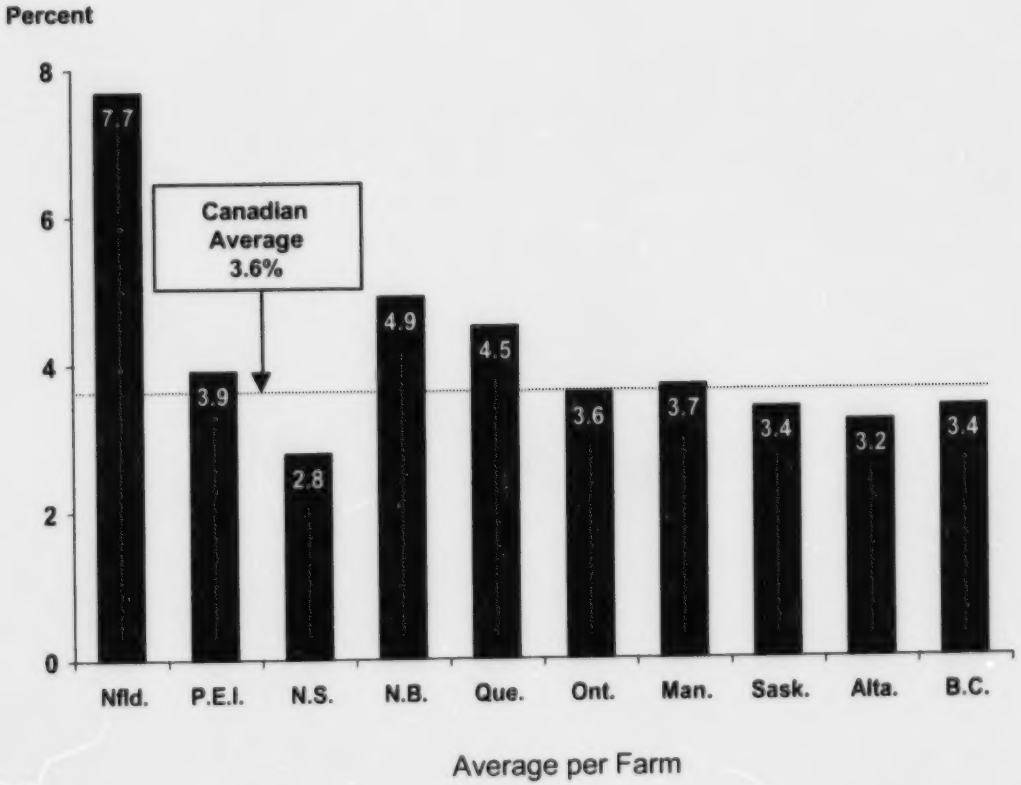
- Newfoundland had the highest net capital investment at $48,600 in 1999.
- New Brunswick also showed high net investment at $47,300.
- Nova Scotia had the lowest net capital investment in 1999 at $22,500 followed by Saskatchewan at $22,600.

Average Net Capital Investment by Farm Type, 1995, 1997, 1999



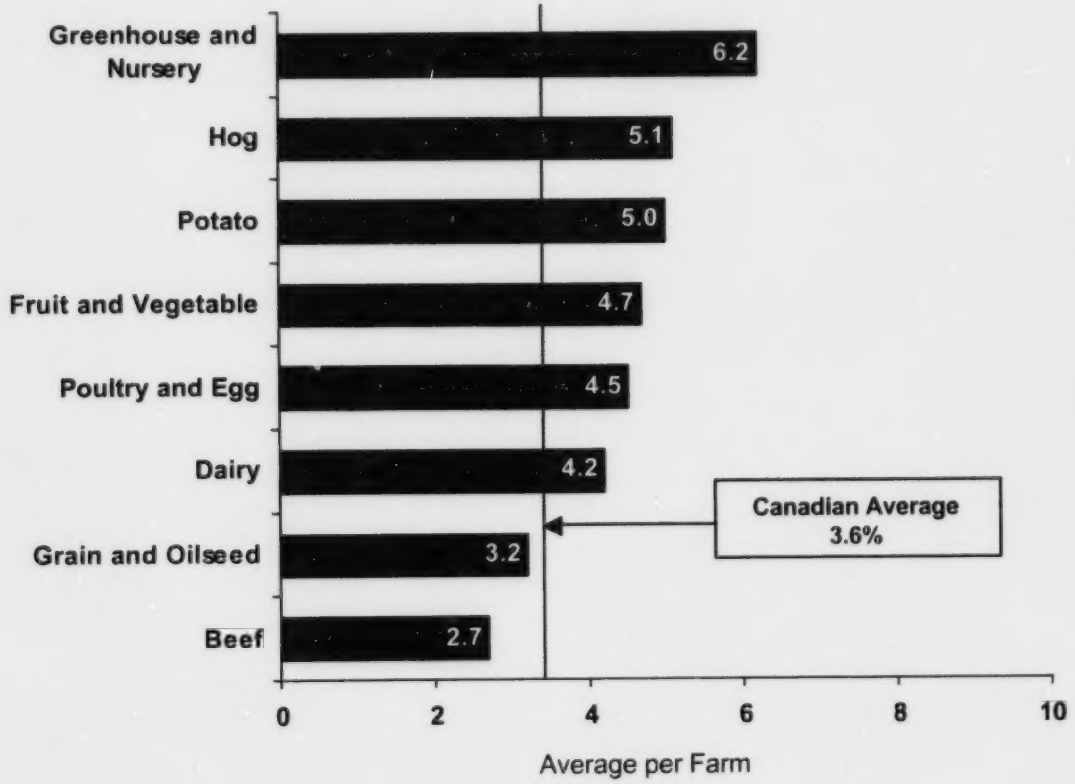
- The average net capital investment decreased 3.5% to $32,500 in 1999.
- Potato farms had the highest net capital investment in 1999 at $83,700 followed by poultry and egg farms at $79,500.
- Beef farms had the lowest net capital investment at $18,500 followed by grain and oilseed farms at $26,100.

Net Capital Investment as a Percent of Assets by Province, 1999



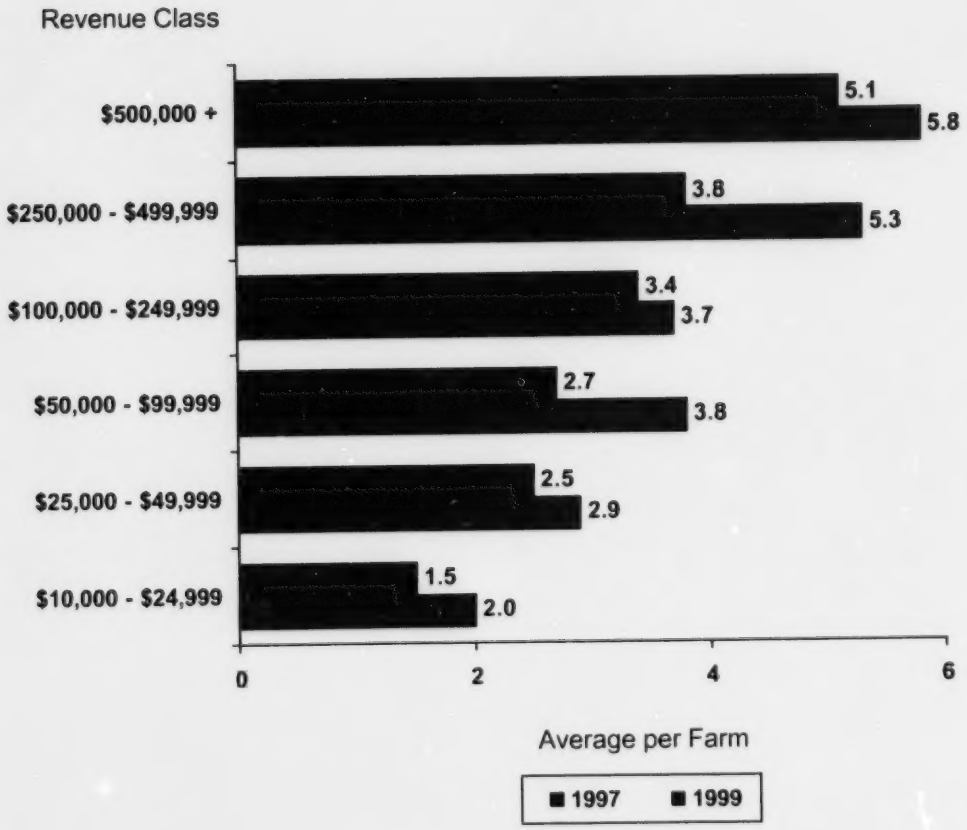
- Newfoundland farms reported the highest net capital investment as a percent of assets among provinces.
- Nova Scotia reported the lowest level.

Net Capital Investment as a Percent of Assets by Farm Type, 1999



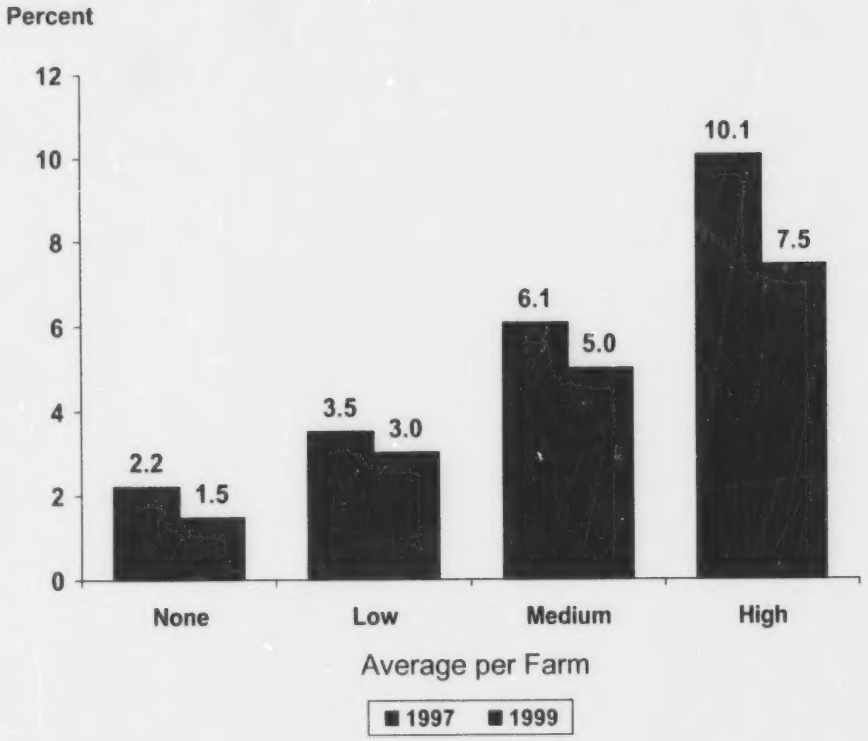
- Greenhouse and nursery farms followed by hog farms and potato farms reported the highest net capital investment as a percent of assets in 1999.
- Beef farms and grain and oilseed farms reported the lowest net capital investment as a percent of assets.

Net Capital Investment as a Percent of Assets by Revenue Class, 1997 and 1999



- Net capital investment as a percent of assets decreased for all revenue classes from 1997.
- Net capital investment as a percent of assets ranged from 1.5% for the smaller farms to 5.1% for the larger farms.

Net Capital Investment as a Percent of Assets by Debt Level, 1997 and 1999



- Net capital investment as a percent of assets decreased for all debt levels.
- Net capital investment was 7.5% of assets on farms with high debt in 1999 compared to 10.1% in 1997.

- **Capital Borrowed**

Net Capital Investment and Net New Borrowings by Province, 1999

	Net Capital Investment	Net New Borrowings
Newfoundland	$48,600	$36,200
Prince Edward Island	44,900	25,600
Nova Scotia	22,500	16,700
New Brunswick	47,300	25,100
Quebec	42,100	28,700
Ontario	36,400	19,500
Manitoba	29,400	14,400
Saskatchewan	22,600	13,000
Alberta	32,400	17,600
British Columbia	39,100	18,700
Canada	**$32,500**	**$18,400**

- Average net capital investment was $32,500. Approximately 57% of net capital investment in 1999 was covered by net new borrowings.
- Newfoundland and New Brunswick had the highest levels of net investment, both over $45,000. Net new borrowings represented 74.4% of net capital investment for Newfoundland.
- Nova Scotia ($22,500) and Saskatchewan ($22,600) had the lowest net capital investment.
- Saskatchewan and Manitoba had the lowest net new borrowings in 1999.

Net Capital Investment and Net New Borrowings by Farm Type, 1999

	Net Capital Investment	Net New Borrowings
Dairy	$67,500	$54,400
Beef	18,500	11,800
Hog	68,700	63,200
Poultry and Egg	79,500	53,800
Potato	83,700	49,400
Fruit and Vegetable	35,400	19,700
Grain and Oilseed	26,100	18,500
Greenhouse	57,800	26,500
TOTAL	**$32,500**	**$23,300**

- Potato farms had the highest level of net capital investment ($83,700) but only 59% of this amount represents net new borrowings.
- Poultry and egg farms ($79,500) also had a high level of net capital investment of which 67.7% was net new borrowings.
- Beef farms had the lowest level of net capital investment ($18,500) and 63.9% was net new borrowings.
- Hog farms had the highest proportion of net new borrowings (over 90%).

Net Capital Investment and Net New Borrowings by Province, 1999

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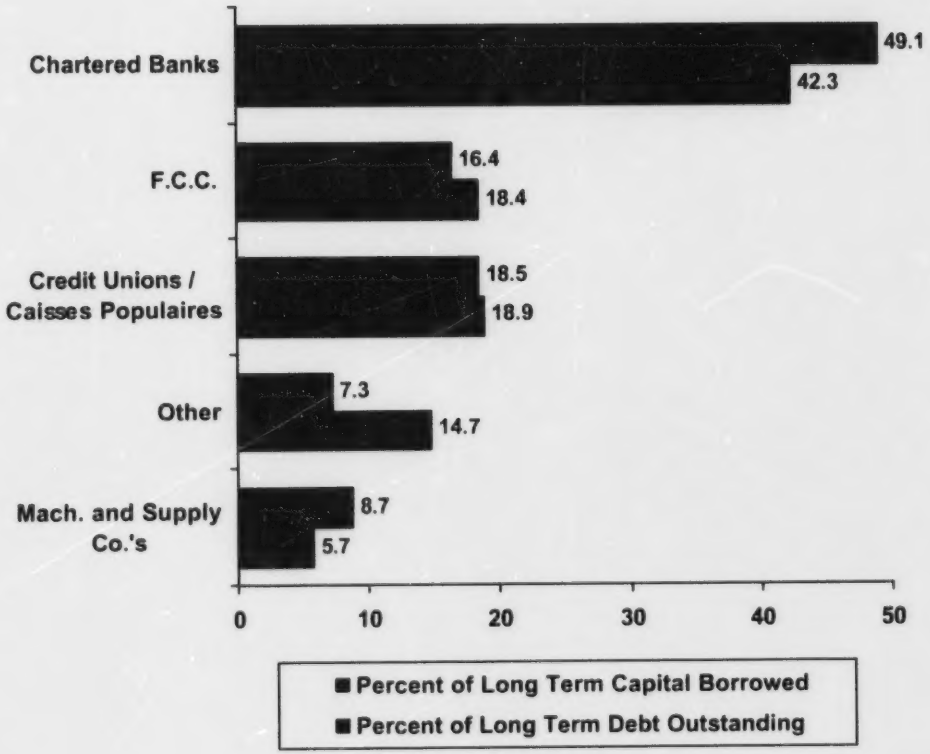
Percent of Long Term Debt Outstanding and Long Term Capital Borrowed by Financial Institution, 1999

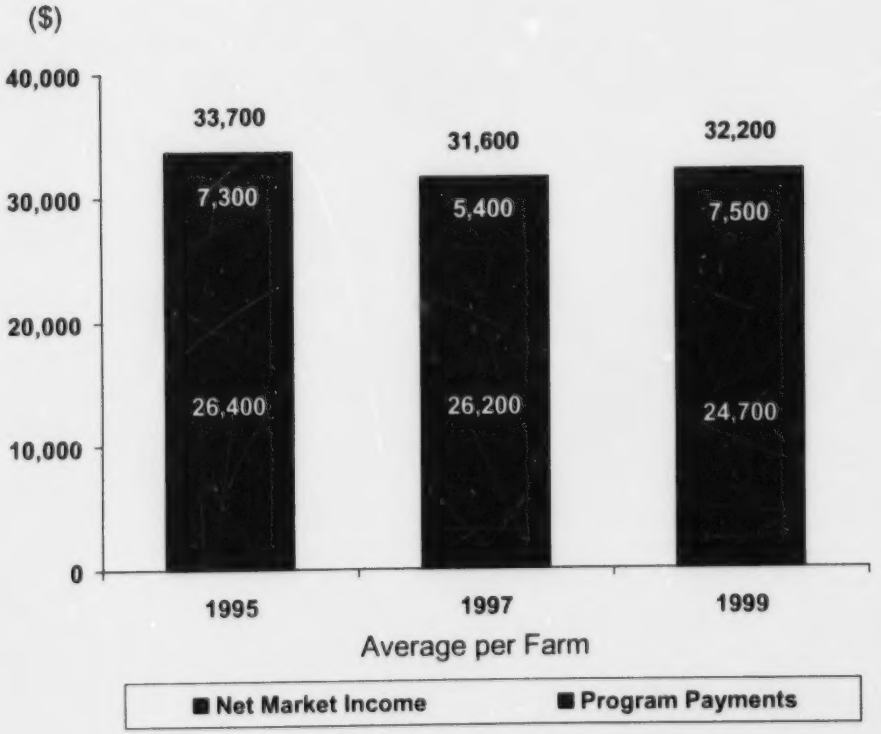


- Chartered banks, the Farm Credit Corporation (F.C.C.) and credit unions/caisses populaires were the major farm lenders.
- Chartered banks and the F.C.C. held 42.3% and 18.4% respectively of outstanding long-term debt.
- The chartered banks were the major source of net new borrowings for farmers.

Farm Income and Stability

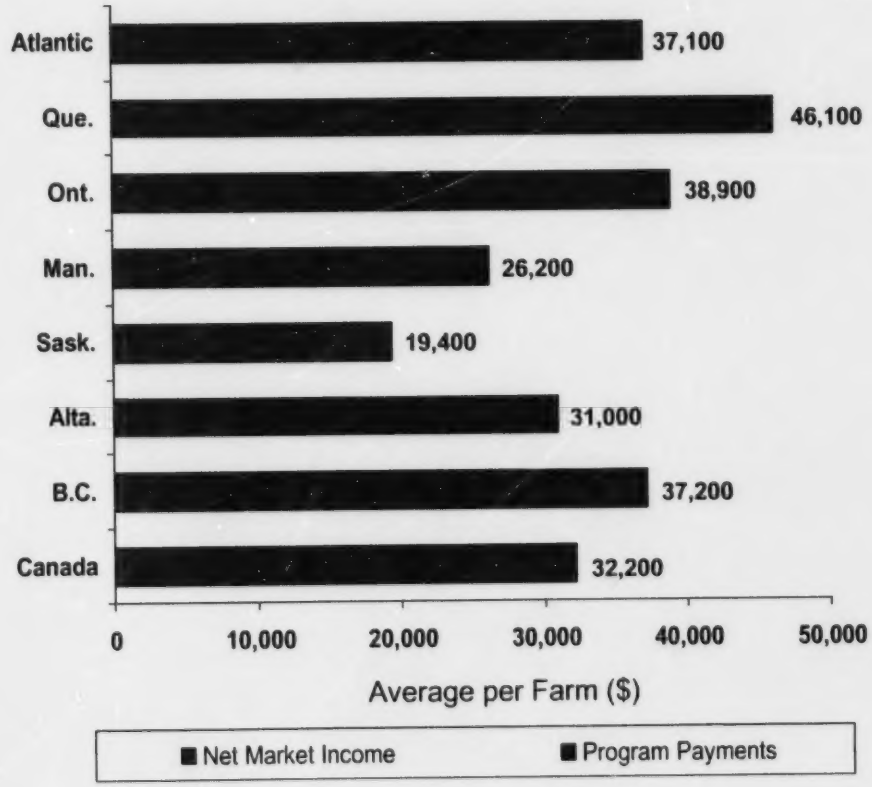
- **Net Operating Income**

Average Net Operating Income per Farm, Canada, 1995, 1997, 1999



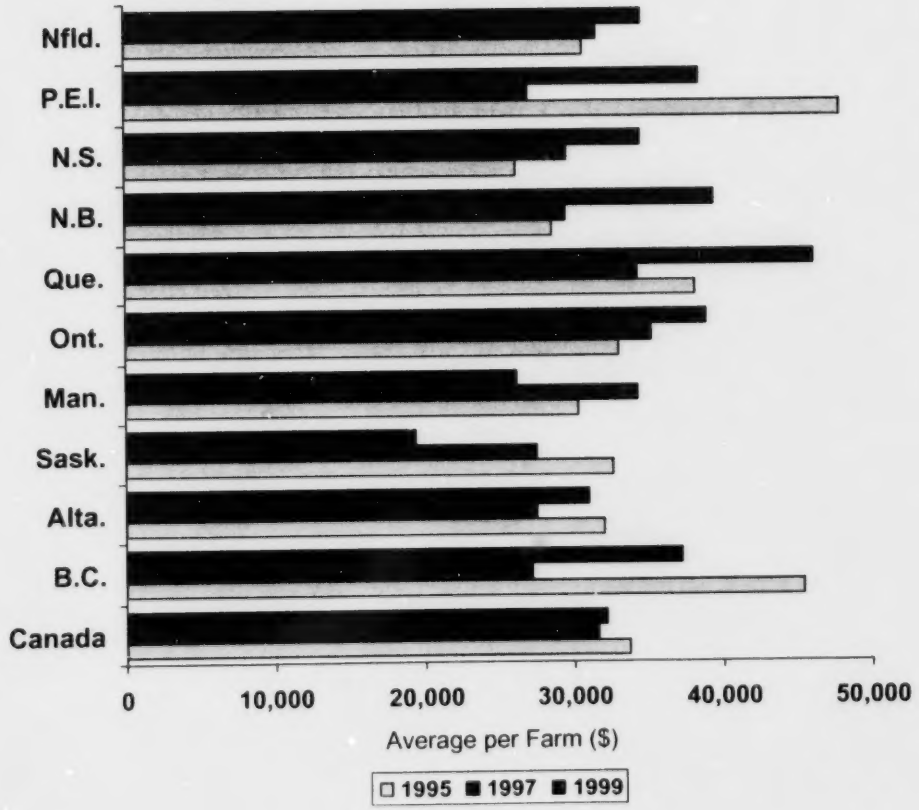
- Net operating income increased by 2% in 1999 due to an increase in program payments which offset the decrease in net market income.
- Net market income dropped between 1997 and 1999 after remaining stable from 1995 to 1997.
- Program payments rose almost 40% between 1997 and 1999.

Average Net Operating Income per Farm, by Province, 1999



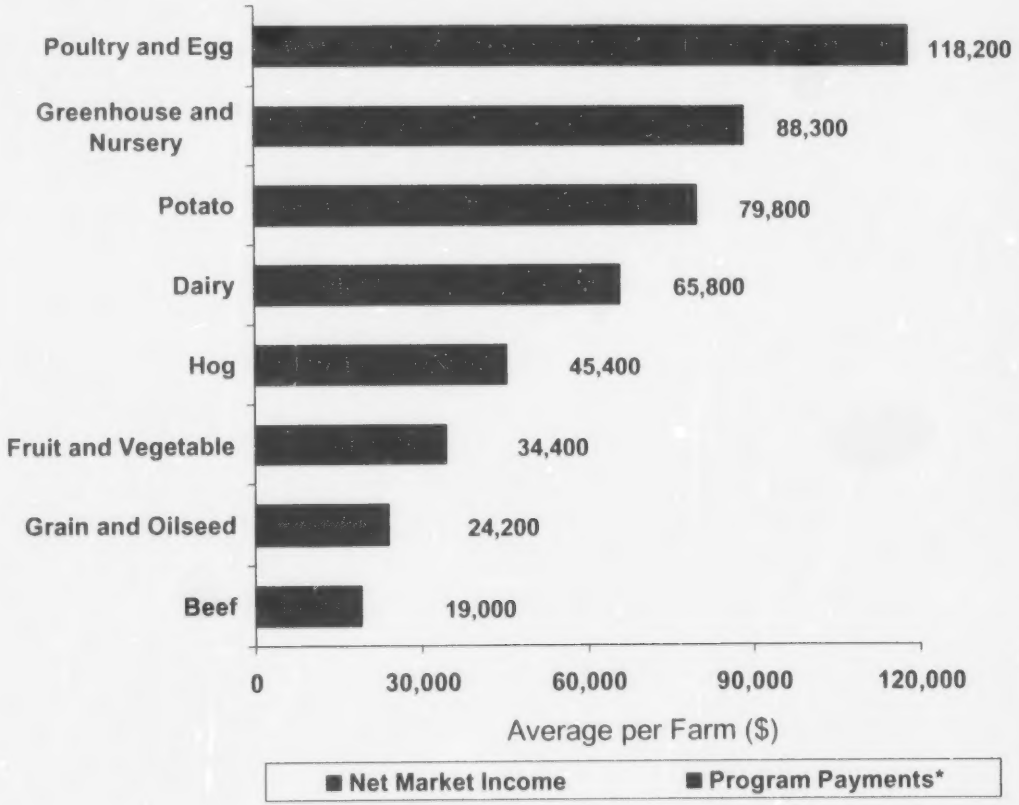
- Quebec reported the highest net operating income due mainly to their high level of program payments and supply managed commodities.
- Quebec program payments in 1999 largely reflect payments from provincial stabilization programs. NISA participation in Quebec is for horticulture and honey commodities only.
- Ontario also reported relatively high net operating income due in part to supply managed commodities.
- British Columbia had the lowest level of program payments while Saskatchewan and Manitoba had the lowest levels of net operating income in 1999 due to their dependence on grain and oilseed.

Average Net Operating Income per Farm, by Province, 1995, 1997, 1999



- Most provinces reported an increase in net operating income since 1997.
- Manitoba and Saskatchewan were the only provinces to report a decrease in average net operating income between 1997 and 1999.
- Alberta reported an increase in average net operating income in part due to higher beef prices.
- The prairie provinces were the only ones with net operating income below the national average in 1999.

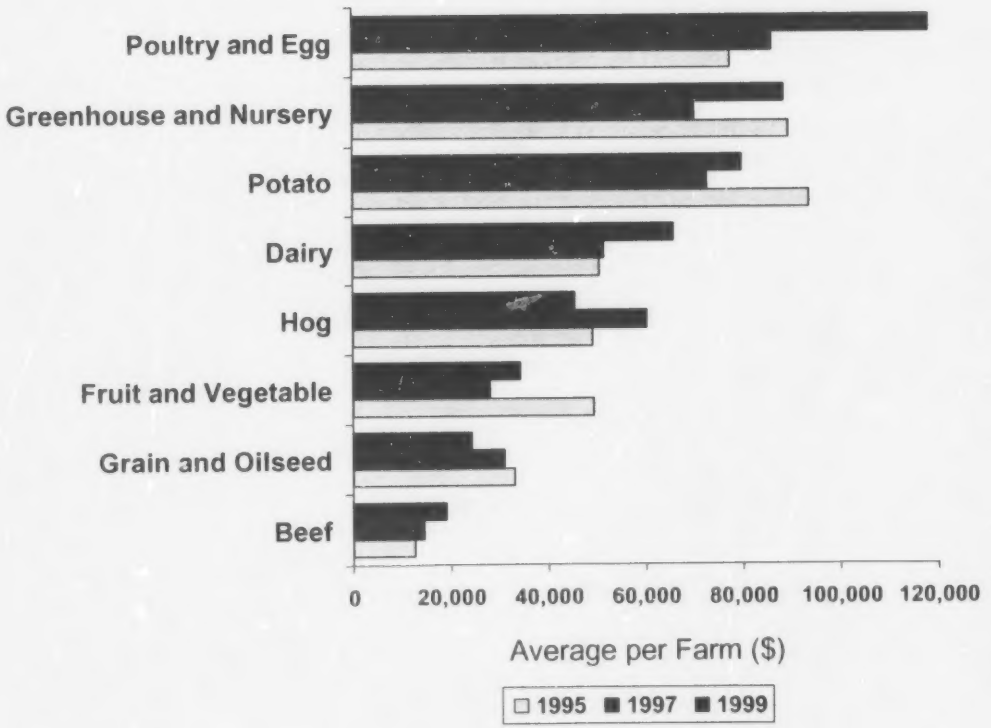
Average Net Operating Income per Farm, by Farm Type, 1999



* Includes provincial and federal payments but excludes NISA withdrawals.

- As in previous years, average net operating income varied significantly between farm types.
- Poultry and egg farms had the highest average net operating income followed by greenhouse and nursery farms.
- Beef farms, at only $19,000, had the lowest average net operating income.

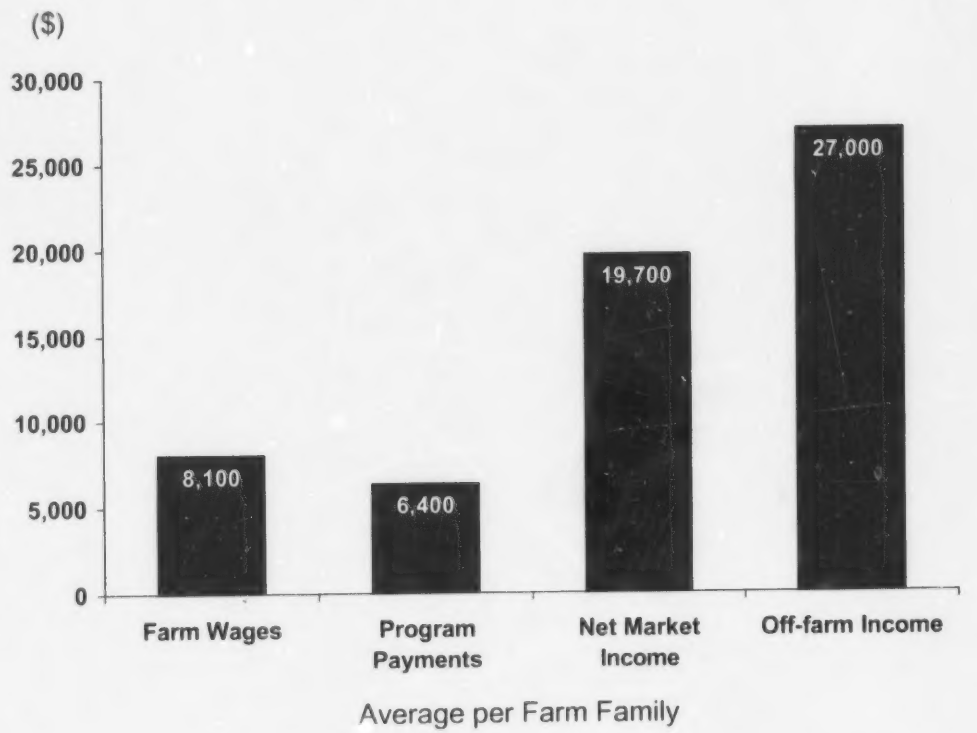
Average Net Operating Income per Farm, by Farm Type, 1995, 1997, 1999



- Poultry and egg farms followed by greenhouse and nursery farms and potato farms reported the highest average net operating income per farm.
- Hog farms and grain and oilseed farms reported a decrease in average net operating income between 1997 and 1999.
- Supply managed commodities reported significant increases in average net operating income.

- **Family Income**

Sources of Family Income, Canada, 1999



- Family income is made up of net market income, program payments, off-farm income and farm wages paid to family members.
- Canadian farm families earned an average of $61,200.
- Off-farm income made up 44% of total average family income for Canadian farms.

Sources of Family Income by Province, 1999

	Net Market Income	Farm Wages	Program Payments	Off-farm Income	Total Family Income
Atlantic	24,900	10,000	4,700	23,200	62,800
Quebec	21,800	12,900	17,100	16,100	68,000
Ontario	25,100	10,700	4,400	33,600	73,800
Manitoba	14,300	6,900	6,200	22,400	49,800
Saskatchewan	12,300	4,200	5,300	22,800	44,600
Alberta	20,900	6,200	3,800	32,400	63,400
British Columbia	27,900	11,800	1,800	35,700	77,200
Canada	**19,700**	**8,100**	**6,400**	**27,000**	**61,200**

- British Columbia had the highest family income and the highest off-farm income.
- Ontario showed relatively high family income which reflects their high level of off-farm income and higher net market income.
- Saskatchewan had the lowest total family income at $44,600.

Sources of Family Income by Farm Type, 1999

	Net Market Income	Farm Wages	Program Payments	Off-farm Income	Total Family Income
Beef	13,400	3,200	3,300	28,400	48,300
Grain & Oilseed	13,600	5,500	7,200	29,400	55,700
Hog	-4,600	14,800	34,800	15,900	60,900
Dairy	42,300	19,000	9,000	8,500	78,800
Fruit & Vegetable	19,600	10,800	5,300	45,500	81,200
Potato	49,300	20,500	7,400	22,200	99,400
Greenhouse & Nursery	56,400	34,800	1,300	20,900	113,400
Poultry & Egg	96,300	25,200	3,500	20,400	145,400

- Poultry and egg farms had the highest family income which reflects their high net operating income.
- Greenhouse and nursery farms had the second highest family income.
- Beef farms and grain and oilseed farms had low net market income but relatively high off-farm income.
- Beef farms had the lowest average total family income.
- High net market income on dairy farms was offset by low off-farm income.

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Ontario	25,100	10,700	4,400	33,600	73,800
Manitoba	14,300	6,900	6,200	22,400	49,800
Saskatchewan	12,300	4,200	5,300	22,800	44,600
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Sources of Family Income by Revenue Class, 1999

Revenue Class	Net Market Income	Farm Wages	Program Payments	Off-farm Income	Total Family Income
$10,000 - $24,999	-2,200	400	1,000	39,400	38,600
$25,000 - $49,999	2,000	1,100	2,100	34,700	39,900
$50,000 - $99,999	7,800	2,400	4,000	24,900	39,100
$100,000 - $249,999	21,000	7,900	7,300	19,600	55,800
$250,000 - $499,999	45,600	19,600	14,400	18,100	97,700
$500,000 +	108,100	45,500	20,700	30,200	204,600

- Net market income is negative for farm families in the $10,000 -$ 24,999 revenue class compared to $108,100 for farms in the highest revenue class.
- Total family income was approximately equal for farms with revenue under $100,000.
- Larger farms require higher net operating income to service debt and replace equipment.

Sources of Family Income by Revenue Class, 1999

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$10,000 - $24,999	-2,200	400	1,000	39,400	38,600
$25,000 - $49,999	2,000	1,100	2,100	34,700	39,900
$50,000 - $99,999	7,800	2,400	4,000	24,900	39,100
$100,000 - $249,999	21,000	7,900	7,300	19,600	55,800
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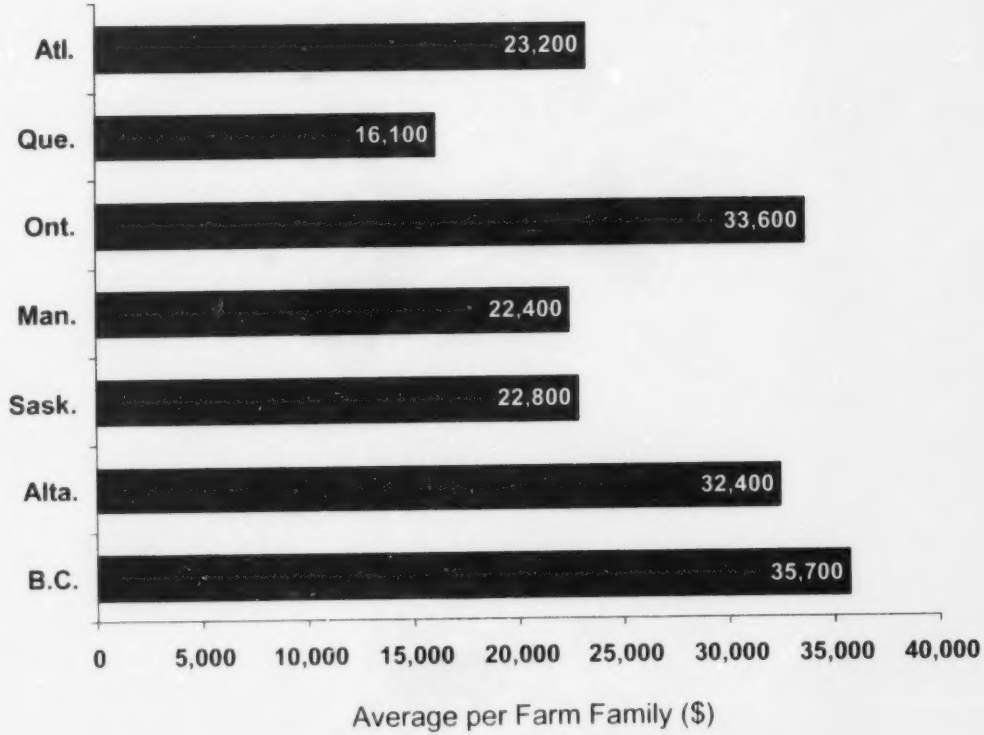
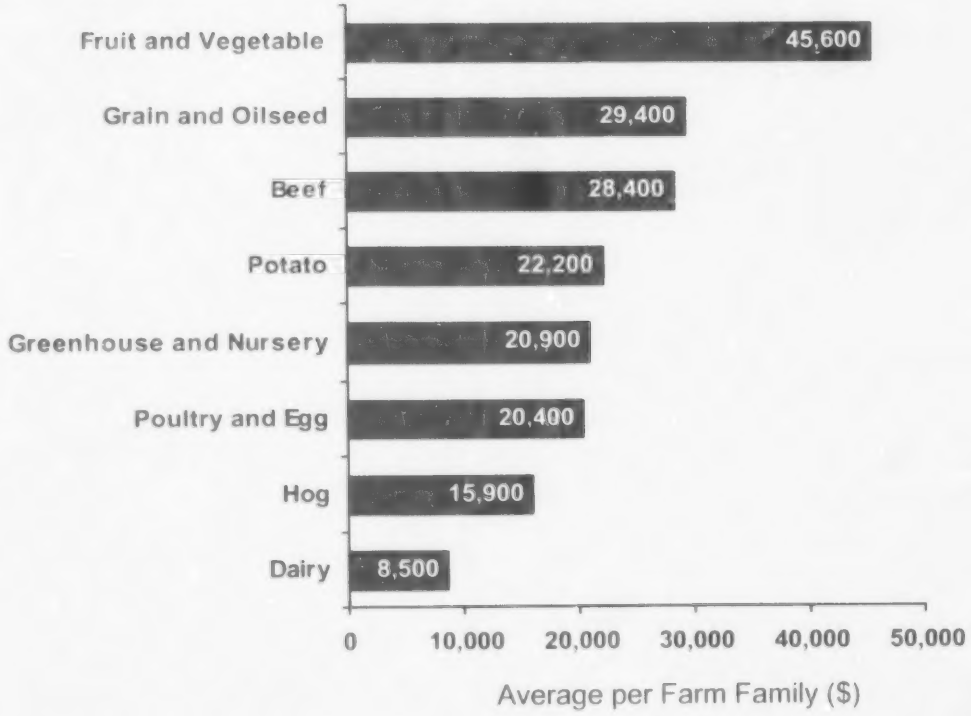
Off-farm Income per Family by Province, 1999



- Farm families in British Columbia had the highest off-farm income with an average over $35,000.
- Ontario and Alberta also showed off-farm income over $30,000.
- Quebec had the lowest off-farm income at $16,100.

Off-farm Income per Family by Farm Type, 1999



- Families on fruit and vegetable farms, had the highest off-farm income, followed by those on grain and oilseed farms.
- Families operating dairy farms had the lowest off-farm income at $8,500.

- **Farm Stability**

Distribution of Large Farms by Farm Stability Class*, Canada, 1995, 1997, 1999

	1995	1997	1999
		Percent	
Favourable: (positive net operating income and D/A less than or equal to 40%)	80.5	75.9	70.1
Marginal Income: (negative/zero net operating income and D/A less than or equal to 40%)	7.3	10.9	12.9
Marginal Solvency: (positive net operating income and D/A greater than 40%)	10.7	10.4	12.8
Vulnerable: (negative/zero net operating income and D/A greater than 40%)	1.5	2.7	4.2

* Excludes off-farm income and NISA withdrawals.

- Farm "stability" is measured by a combination of net operating income and farm debt levels.
- 70.1% of farms were in the favourable stability class in 1999 compared to 75.9% in 1997.
- The proportion of vulnerable farms increased from 2.7% in 1997 to 4.2% in 1999.

Distribution of Large Farms by Farm Stability Class*, by Province, 1997, 1999

	Favourable		Marginal Income		Marginal Solvency		Vulnerable	
	Percent							
	1997	1999	1997	1999	1997	1999	1997	1999
Newfoundland	73.9	60.6	13.0	17.3	8.7	17.3	4.3	4.8
Prince Edward Island	70.7	66.4	12.7	12.6	10.7	14.1	6.0	6.9
Nova Scotia	75.9	66.5	9.5	14.1	10.8	14.1	3.8	5.2
New Brunswick	66.7	68.0	18.8	15.4	10.4	11.8	4.2	4.8
Quebec	73.4	72.2	6.1	5.2	17.5	20.3	3.0	2.3
Ontario	74.0	73.7	12.2	13.5	11.3	9.6	2.6	3.2
Manitoba	76.0	69.1	8.9	13.2	12.2	11.8	2.8	5.9
Saskatchewan	84.4	66.8	8.6	16.4	5.2	12.0	1.7	4.8
Alberta	73.5	69.3	16.1	15.2	7.5	10.7	2.8	4.8
British Columbia	64.0	66.6	18.6	11.6	12.8	16.5	4.5	5.4
Canada	76.1	70.1	11.0	12.9	10.2	12.8	2.7	4.2

* Excludes off-farm income and NISA withdrawals

- Ontario and Quebec had the highest proportion of farms in the favourable category.
- Alberta also had a high proportion of farms in the favourable category.
- Newfoundland had the lowest proportion of farms in the favourable category and a high proportion of farms in the marginal income and marginal solvency categories.

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Nova Scotia	75.9	66.5	9.5	14.1	10.8	14.1	3.8	5.2
New Brunswick	66.7	68.0	18.8	15.4	10.4	11.8	4.2	4.8
Quebec	73.4	72.2	6.1	5.2	17.5	20.3	3.0	2.3
Ontario	74.0	73.7	12.2	13.5	11.3	9.6	2.6	3.2
Manitoba	76.0	69.1	8.9	13.2	12.2	11.8	2.8	5.9
Saskatchewan	84.4	66.8	8.6	16.4	5.2	12.0	1.7	4.8
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Distribution of Large Farms by Farm Stability Class*, by Farm Type, 1997, 1999

	Favourable		Marginal Income		Marginal Solvency		Vulnerable	
	Percent							
	1997	1999	1997	1999	1997	1999	1997	1999
Dairy	83.2	81.6	7.7	6.8	7.9	10.7	1.2	0.9
Poultry and Egg	76.1	80.8	7.4	5.1	13.3	12.6	1.5	1.5
Grain and Oilseed	81.9	69.0	8.8	13.7	7.3	12.5	1.9	4.7
Beef	65.9	67.9	20.6	19.7	9.2	8.7	4.4	3.7
Fruit and Vegetable	60.1	66.2	15.9	9.9	14.6	16.0	9.4	7.9
Potato	59.7	67.6	15.7	9.9	15.7	16.6	8.9	6.0
Greenhouse and Nursery	57.8	55.8	10.5	10.3	28.0	30.2	3.8	3.8
Hog	59.7	47.0	9.7	15.6	25.8	24.5	4.7	12.9
All Farm Types	76.1	70.1	11.0	12.9	10.2	12.8	2.7	4.2

* Excludes off-farm income and NISA withdrawals

- Dairy farms, followed by poultry and egg farms have the highest percentage of farms in the favourable category.
- Only 47% of hog farms were in the favourable category and 15.6% were in the marginal income category in 1999.

Distribution of Large Farms by Farm Stability Class*, by Farm Type, 1997, 1999

	Favourable		Marginal Income		Marginal Solvency		Vulnerable	
	Percent							
	1997	1999	1997	1999	1997	1999	1997	1999
Dairy	83.2	81.6	7.7	6.8	7.9	10.7	1.2	0.9
Poultry and Egg	76.1	80.8	7.4	5.1	13.3	12.6	1.5	1.5
Grain and Oilseed	81.9	69.0	8.8	13.7	7.3	12.5	1.9	4.7
Beef	65.9	67.9	20.6	19.7	9.2	8.7	4.4	3.7
Fruit and Vegetable	60.1	66.2	15.9	9.9	14.6	16.0	9.4	7.9
Potato	59.7	67.6	15.7	9.9	15.7	16.6	8.9	6.0
Greenhouse and Nursery	57.8	55.8	10.5	10.3	28.0	30.2	3.8	3.8
Hog	59.7	47.0	9.7	15.6	25.8	24.5	4.7	12.9
All Farm Types	76.1	70.1	11.0	12.9	10.2	12.8	2.7	4.2

* Excludes off-farm income and NISA withdrawals.

- Dairy farms, followed by poultry and egg farms have the highest percentage of farms in the favourable category.
- Only 47% of hog farms were in the favourable category and 15.6% were in the marginal income category in 1999.

Glossary

Current assets include market livestock, accounts receivable, inventories of crops and inputs, cash and short-term investments (under 1 year) and prepaid expenses.

Family income includes net operating income, off-farm income and farm wages and salaries paid to family members and program payments.

Large farms are those farms with gross farm revenues of $100,000 and over.

Long-term assets include land and buildings, machinery and equipment, quota, breeding and replacement stock, and long-term investments (over 1 year) including NISA balances.

Off-farm income includes non-farm wages and salaries, investment income, pension income and other income not from the farm operation.

Net capital investment = capital purchases less capital sales.

Net market income = net operating income less program payments.

Net new borrowings = total long term capital borrowed less amount borrowed for refinancing previous loans.

Net operating income = operating revenues less operating expenses, before depreciation.

Program payments =include income from stabilization payments (including provincial GRIP in 1993 and 1995), dairy subsidies and other programs, crop insurance proceeds and fuel and property tax rebates but exclude NISA withdrawals.